



Beirut won't play so Urquhart halts mediation effort

By ASHER WALLFISH and
JOSHUA BRILLIANT
Jerusalem Post Reporters

UN Undersecretary-General Brian Urquhart is to return to New York today to report to Secretary-General Javier Perez de Cuellar that he is breaking off his Middle East mission for the time being since the Lebanese government will apparently take no steps to coordinate with Israel or with the UN regarding arrangements in South Lebanon during the first stage of the IDF withdrawal next month.

Urquhart conferred for four hours yesterday with UN military commanders at the Nakoura headquarters of the force and then came to Tel Aviv for a meeting with Israeli officials. He spoke with Foreign Ministry Director-General David Kimche, who was accompanied by Uri Lubrani, the Israeli coordinator of operations in South Lebanon, and Tal Aluf Amos Gilboa, head of the Israeli delegation to the abortive Nakoura talks with the Lebanese.

Urquhart, who earlier met Lebanese leaders in Beirut, was accompanied by the political adviser to the secretary general, Jean-Claude Aime, who will remain in the Middle East for the time being.

Urquhart reported that the Lebanese government was not ready to take any decisions as yet in the light of the February 18 date fixed by Israel to leave Sidon. Kimche told Urquhart that whatever the Lebanese government did or did not

do, the Israel Defence Forces evacuation would take place as planned. Some Israeli officials suggest that the Syrian government is paralysing Lebanese President Amin Gemayel and preventing him from coming to any decisions.

Well-informed political sources said last night that by and large there has been no difference between the public statements of Lebanon's Prime Minister Rashid Karamah and those which Urquhart heard in confidence.

Before going to Beirut, Urquhart met on Friday with Defence Minister Yitzhak Rabin, Kimche, Lubrani, and the intelligence chief Aluf Ehud Barak in Tel Aviv.

At that meeting Rabin had also insisted on Israel's resolve to leave the Sidon area by February 18. There was no timetable for the following two stages, because it is not clear what will happen in Lebanon, the minister reportedly told Urquhart. However, the important thing was to hand the area over properly, possibly with UN help, Rabin said. Such a transfer would also enable Lebanon to demonstrate its sovereignty over the area, he added.

Urquhart is not expected to return to the Middle East unless the Lebanese government informs the UN that it is willing to coordinate an orderly takeover of the evacuated area by the Lebanese Army and civil administration.

Lebanese minister resigns but is asked to reconsider

BEIRUT (AP). — A key Moslem moderate in the Lebanese government, Salim El-Hoss, submitted his resignation yesterday. Other cabinet ministers immediately began urgent efforts to get him to reconsider.

The 55-year-old Hoss, a former prime minister, held the portfolios of Labour and Education in the coalition government formed last April by Prime Minister Rashid Karamah. But the American-educated Sunni Moslem was better known as the "fireman" of the nine-member cabinet for his ability to help arrange

compromises in crisis situations. His resignation, therefore, would be a serious blow to the cabinet at a time it is grappling with a deepening economic recession, lawlessness in the capital, and the need to get the Lebanese army in position to move south when the Israeli army begins pulling back.

Lebanon's Shi'ite Moslem leader Nabih Berri warned yesterday that massacres could take place in the south near Israel-occupied territory unless all Christian militiamen left the area.



Egyptian and Arab demonstrators protest against Israel's participation at the Cairo book fair. Shouting anti-Israel slogans, the demonstrators unfurl the Palestinian flag. (Reuter telephoto)

Ceremonies start to mark liberation of Auschwitz

WARSAW. — Polish and Jewish survivors from the Auschwitz death camp yesterday returned to attend a reunion and wreath-laying ceremony to mark 40 years since the liberation of camp inmates.

Four million people, more than half of them Jews from Poland and elsewhere in Europe, died at the camp between 1940 and 1945. Most were gassed or shot, others died from disease, starvation and suicide — running in despair on to the electric wires that surrounded the camp compounds.

The small band of survivors who attended yesterday's ceremonies gathered first at the entrance to Auschwitz, beneath the inscription hung there by the Nazis, "Arbeit Macht Frei" (Work Makes You Free).

The group marched through the camp grounds and laid wreaths before going on to the extermination centre at Birkenau, about three kilometres from the main camp. There wreaths were also laid at the international monument that has been built near the ruins of the giant

crematorium.

Jewish twins from Israel, the U.S. and Europe, who survived grotesque medical experiments by Josef Mengele and other Nazis at Auschwitz, today retrace the infamous three kilometre "death march" route from Birkenau to the Auschwitz concentration camp.

The twins are in Poland to attend ceremonies marking 40 years since the liberation of the camp. With them are Knesset members Dov Shilansky and Shevah Weiss.

The march today is the start of a number of events planned by an organization of Auschwitz twins to establish contact between survivors of Mengele's experiments, research what was done to them, and try to bring the "Angel of Death" to trial. Mengele was last reported to be living in Paraguay.

The twins' organization is to hold a three-day public hearing in Jerusalem next month, at which an international panel will be presented with documents and testimony about Mengele and his experiments. (AP Reuter).

U.S.-Soviet arms talks set

WASHINGTON. — The U.S. and the Soviet Union have agreed to open negotiations on nuclear weapons on March 12 in Geneva, the White House and Kremlin announced simultaneously yesterday.

A brief announcement here said the talks would deal with "nuclear and space arms." The Soviets, however, have indicated they intend also to take up U.S. research into space defences.

The announcement said the Soviet negotiators would be Victor Karpov, Yuri Kvitsinsky and A.A. Obukhov. The Americans last week named Max Kampelman, former senator John Tower and Ambassador Maynard Giltman.

The American team is relatively new, while two of the Soviet negotiators, Karpov and Kvitsinsky, headed their government's delegations in the talks on long-range and medium-range nuclear weapons that broke down in Geneva in late 1983.

Kampelman and Tower have never negotiated over nuclear arms. Giltman, the only career diplomat in the American trio, was on the U.S. delegation in the intermediate-range missile talks.

A decision to resume negotiations after a 13-month lapse — and to broaden them to include defensive systems — was reached on January 8 in Geneva by Secretary of State George Shultz and Soviet Foreign Minister Andrei Gromyko.

Katynshas on IDF bases in Lebanon

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — IDF positions in various parts of Lebanon came under Katyusha rocket attack during the weekend. No one was injured and there were no reports of damage.

Four Katyushas were fired from Syrian-controlled territory at Israeli soldiers stationed near Kamed a-Luz in east Lebanon. Another rocket was fired from the Bourj a-Shamali refugee camp at an IDF position in Tyre. In a third incident, an Israeli position near Ansaria in south Lebanon came under Katyusha rocket fire.

South Lebanese Army soldiers

were also the targets of attacks in south Lebanon. A rocket propelled grenade (RPG) was fired towards an SLA position in the village of Harouf but no one was hurt. On Thursday the body of an SLA soldier was discovered in an orchard near his home, in the area of Abassiya not far from Nabatiya. This was the second time in less than 24 hours that an SLA soldier was murdered. On Wednesday a soldier was killed when his car exploded as he entered it beside his house in Kfar Hula.

A Fijian soldier serving in Unifil was killed and two others wounded when they were ambushed on Thursday night near Kfar Kana.

Fares likely to soar under new package deal

By PINHAS LANDAU
Post Finance Reporter

Public transport fares must rise by some 200-300 per cent in the coming two months if the subsidy-cut targets detailed in the package deal agreement are to be met. This has been learned by *The Jerusalem Post* from Treasury sources, and emerges from a careful reading of the agreement itself.

The question of how much and how fast to raise fares became the great bugbear of the negotiations as the second package deal took final shape. It was the key issue throughout last Thursday's talks — both in the midnight to six a.m. session and again at the final Tel Aviv session from late afternoon until 10 p.m.

The final agreement carries the results of this lengthy squabble in Paragraph 3 sections b and c. The former states that in addition to the price rises and subsidy cuts announced on Wednesday night, the subsidies on food, public transport and water will be reduced both in February and March so that \$420 million is saved from the annual budget.

But this will be done only on

condition that the average real increase in the prices of food and water does not exceed 12-13 per cent per month.

Section c was added in pen, and apparently in haste. It states that the subsidy for public transport will be reduced at a rate and pace to be decided upon by a committee comprising one representative each of the government, Histadrut and manufacturers, and may be decided by majority vote.

This last-minute addition may well decide the fate of the entire subsidy-cutting programme. This is because without swinging cuts in transport subsidies, the other cuts will have little effect on the budget deficit. This is made clear from a written exchange between the premier and one of his aides during the negotiations.

"To Shimon. If we raise the prices of subsidised goods by an average 25 per cent we will get a budget cut of \$130m. An average 12-13 per cent rise is not enough to reduce in real terms the existing subsidy levels."

Peres' response: "Is this your own check or based on the Treasury?"

Aide: "To Shimon: these are the results of the Treasury analysis. I do not yet have the tools to check, but in

my estimation they are not wrong in this area. In any event, an average cut of 12-13 per cent done twice will not contribute the required budget cut, so as to reduce the budget by \$1.2 billion."

Against this background, the promise to hold the price rises in all the other goods to a maximum 12-13 per cent per month in real terms, in both February and March, makes the pending slash in transport subsidies into the crucial "swing-item" on which the whole programme stands or falls.

In order to meet the target of \$210m. annualized savings in two successive months, the price of public transport will have to rise by another 200 per cent, on the current base, even after the 55 per cent rise already announced and due to be implemented over the next two weeks.

Given the scale of this rise, and the sensitivity attached to public transport costs, which are a bona-fide social need of large numbers of people whose means do not allow them to use private transport, the agonizing over the decisions involving their price begins to make sense. Even within the framework of cost-cutting

(Continued on Page 2, Col. 2)

U.S. reaction: more cuts needed

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — There were mixed reactions in the Reagan administration as well as in Congress to Israel's second package deal.

Authoritative U.S. officials yesterday said they welcomed the continued reduction of government subsidies in a whole host of areas. But they also continued to express misgivings that this piecemeal approach was not really getting to the root problems of the Israeli economy.

Clearly, administration officials have been pleased by the dramatic decline in the inflation rate in Israel in recent weeks. This has had a positive psychological impact on the country as a whole, they noted.

But they remain sceptical that these price and wage controls will have a genuine long-range benefit unless more massive budget cuts and

deeper structural changes in monetary policies are quickly enacted.

There was no indication yesterday that the second package deal would have any immediate effect on the Reagan administration's current stance regarding an increased level of economic assistance to Israel in the next fiscal year budget.

President Reagan is expected to seek \$1.2 billion in economic grants for Israel in his federal budget request to Congress early in February. This is the same level appropriated by Congress last year. Israel has requested \$1.9b.

The prevailing administration mood was also to continue to defer any final decision on supporting an \$800m. emergency supplemental aid package to the already approved 1985 fiscal year Foreign Aid Bill.

U.S. officials conceded that this deferral was aimed at keeping up the pressure on Israel to accept greater

budget cuts. *The Washington Post*, for example, quoted U.S. officials on Friday as saying that U.S. Secretary of State George Shultz "believes that his strategy gradually will force the Israelis to take the austerity measures that the administration considers necessary."

The officials added that if Israel does take these steps, "the United States is prepared to ask Congress for all or most of the \$800 million

(Continued on Back Page)

Rabin to Washington

TEL AVIV. — Defence Minister Yitzhak Rabin left for Washington last night. He told reporters at Ben-Gurion airport that he hoped Lebanon would not be a prominent feature of his discussions. He said Israel had decided to withdraw unilaterally after efforts to reach agreements had been foiled by Syrian hostility.

Egypt to press for removal of Israeli police from Taba

By ASHER WALLFISH
Post Diplomatic Correspondent

Israeli and Egyptian delegations meet this morning in Beersheba to discuss the disputed Taba zone south of Eilat.

No negotiations have taken place about Taba or any other bilateral question since an unsuccessful meeting at Ismailiya in Egypt in April 1983.

Egypt froze contacts in protest against the Israel occupation of Lebanon, and settlement activity in Judea and Samaria.

Israel and Egypt both claim sovereignty over the tiny Taba zone. At the completion of the Sinai withdrawal in April 1982, Israel agreed to keep its troops out of the

zone, leaving only police and Border Police in charge. Israeli entrepreneurs run a hotel, a holiday village and a bathing beach at Taba.

Although Israel and Egypt agreed in April 1982 to let the Multinational Force and Observers (MFO) into the zone "to maintain security," as the wording of the document goes, the MFO did not enter Taba. This was because the two countries failed to find a common definition of security.

Egypt wants the Israeli police and Border Police out of the area. It wants the MFO to replace them in all their functions until the final status of the pocket is determined.

But Israel wants the police and Border Police to carry on as before. (Continued on Page 2, Col. 4)

Five killed on roads last week

Five people were killed and 53 seriously wounded in traffic accidents last week.

Three of the dead were pedestrians, one of them a minor. Of those seriously injured, 38 were pedestrians, of whom 12 were minors.

Jury divided over how much Sharon knew

By WALTER RUBY
Jerusalem Post Correspondent

NEW YORK. — A new controversy developed over Industry and Trade Minister Ariel Sharon on Friday after one of the jurors in the Sharon vs. *Time* libel trial said that she and the rest of the jury felt that Sharon had

known a massacre would occur at Sabra and Shatilla.

Patricia de Loatch told WNBC-TV here, "In my mind and in the mind of the rest of the jury, he knew (a massacre) would happen. I'm sorry, but he definitely knew."

However, another juror, Lydia Burdick said she disagreed. Burdick told *The Jerusalem Post*, "I am convinced that the Kahan Commission was right in saying that Sharon should have known a massacre would happen, but in fact did not know. I believed him that he would not have sent the Phalangists into the camps if he had known it would happen." Burdick said there were differences of opinion in the jury over the question of Sharon's foreknowledge of the massacre.

Last Thursday the jury in the case unanimously found that Sharon had failed to prove that *Time* had acted out of malice when it reported that he had discussed revenge with the Christian Phalangists in Lebanon in September 1982, when he was defence minister. Earlier the jury

found that the *Time* article was false and had defamed Sharon.

WNBC reported that, when it attempted to question Sharon in his hotel suite about de Loatch's remarks, he refused to respond, "and demanded that the cameras be taken out (of the room) immediately."

Asked about the incident, Sharon's spokesman Uri Dan told this reporter, "Sharon has already said everything he is going to say. We won a fantastic moral victory, and are not going to get down into the gutter."

Dan refused to say when Sharon will return to Israel, and whether the delay in departure has to do with tying up financial arrangements with the Shear and Gould law firm and with Jewish contributors to Sharon's defence. (see below)

According to Dan, "All I will say is that we won a great victory for Israel and the Jewish people, whether *The Jerusalem Post* likes it or not."

In an interview, Burdick emphasized, "Although there was disagreement (among members of the

six-member jury) about Sharon's role, the point is that our job was not to judge Ariel Sharon, but to decide whether or not *Time's* article constituted a libel against him. We had to decide whether the average reader of *Time* would feel, after reading that paragraph, that Sharon was more guilty than the Kahan Commission said he was."

Burdick said the jury decided that *Time's* paragraph defamed Sharon "because we determined that there was a preponderance of evidence that the average reader would read the paragraph to mean that Sharon acted with a subjective intent to cause the massacre."

Burdick said that the critical factor in convincing the jury that the facts in *Time's* paragraph were false was the letter sent to Judge Abraham Sofaer earlier this month by retired Justice Yitzhak Kahan.

According to Burdick, "Kahan wrote that he had found no mention of Sharon discussing revenge — not in Appendix B or in any of the other testimony or evidence gathered by

(Continued on Page 3)

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THE WEATHER

Forecast: Cloudy, slightly warmer, and drier.

	Yesterday's	Yesterday's	Today's
	High	Low	High
Jerusalem	30	17	18
Golan	34	18	19
Naftaliya	49	7-14	16
Safed	38	14-20	22
Haifa Port	46	8-21	22
Tiberias	40	9-18	20
Nazareth	52	4-20	21
Afula	37	12-19	21
Shomron	63	8-18	20
Tel Aviv	33	7-20	22
B-C Airport	35	7-23	22
Jericho	67	10-20	22
Gaza	67	7-22	23
Beersheba	23	10-25	25
Eilat			

ARRIVALS

Edward Heath, former British prime minister, to conduct two concerts of the Jerusalem Symphony Orchestra at El Hahofet and Jerusalem's Binyanei Ha'Atum.

Merchants may be told to distort tax returns

By AARON SITTNER
Jerusalem Post Reporter

Charging that self-employed persons are being treated as "second-class citizens" in the new package deal, the Jerusalem Merchants Association on Friday warned that it may advise its members to deliberately report 5 per cent less than their taxable incomes for tax calculations.

An association spokesman told *The Jerusalem Post*: "In a democratic society, there is the principle of equal taxation for equal income. The original package deal agreement included a blanket 5 per cent income tax deduction for salaried workers, for January, February and March. We went along with that as one of our contributions to the crash programme of rescuing the economy from total collapse.

"However, we will not sit idly as package deal 2 continues that discriminatory practice - for May, June and July - with only salaried workers eligible for the tax benefit. Why should a shopkeeper who earns the same income as a director-general of a government ministry pay 5 per cent more income taxes?"

THE BANKS TODAY

Bank staffs are continuing their sanctions against their managements for their alleged refusal to compensate them for wage erosion. According to Kol Yisrael, the Jerusalem branches of Bank Leumi will not open this morning at all; the Tel Aviv branches of Discount Bank will open only at 10.30, while First International branches throughout the country will not open until 11.30.

BAZAAR. - A bazaar to raise funds for soldiers' welfare is to be held tomorrow at the Tel Aviv Hilton Hotel from 10 a.m. to 10 p.m.

HOME NEWS

Details of the new eight-month package deal

The following are the main points of the economic agreement (package deal 2) signed by the government, the Histadrut and the manufacturers, last Thursday night.

The agreement will last for eight months, from February 4, 1985 to October 4, 1985, except for those clauses specified to take effect before February 4. Each party will be able to request a review of the agreement any time after July 1, and each party will be able to withdraw from the agreement any time after July 5.

The government decided, with the approval of the other parties to immediately abolish or reduce the following subsidies: all fuel subsidies will be abolished; water subsidies will be reduced by half; the price of electricity for industrial use will increase by 54 per cent; the price of electricity for home use will increase by 25 per cent; the prices of subsidized foodstuffs will increase by 25 per cent; fares will increase by 55 per cent.

In addition, the subsidies on foodstuffs and public transport will be reduced by \$210 million in February and by a further \$210m. in March. The price rises resulting from the food subsidy cuts will not be allowed to exceed an average 12 or 13 per cent monthly. Cuts in the subsidies of public transport will be decided by a committee consisting of a representative of each of the three sides.

The level of subsidization prevailing after all the above cuts have been implemented will be maintained during the course of the agreement.

On the eve of the agreement taking effect, all non-subsidized goods and services will be allowed an average price rise of 5 per cent. The rate of price increases for all non-subsidized goods and services will be determined by the appropriate government department (the Industry and Trade Ministry).

The government will bring before the Knesset a bill for the maintenance of the stability of the prices of goods and services. The law will enable the price levels prevailing at the time of the agreement's implementation to be maintained.

with the addition of the aforementioned price rises. It will also exempt certain goods and services from the agreement.

Subsequent price rises or exemptions will be granted by the responsible government body, with the approval of a committee on which all three parties are represented. The goods and services under control will be allowed monthly average price rises of between 3 and 5 per cent.

The sides estimate that the subsidy cut will lead to an increase of no more than 6 per cent in the consumer price index. This increase will not be taken into account for the purpose of calculating the cost-of-living increment.

If the CPI does rise by more than 6 per cent as a result of the subsidy cuts, the difference above 6 per cent will be regarded as a normal increase, for the purpose of calculating the cost-of-living increase.

All wage earners will receive a one-time cash payment of IS 5,575 in compensation for the initial subsidy cuts. Part-time workers will receive partial compensation at the appropriate level.

The compensation will be paid with the next pay slip, no later than February 15, and will be regarded as a part of the salary for every purpose.

The employers will not raise the prices of their goods or services on account of the compensation paid to the workers.

The sides estimate that the subsequent subsidy cuts will lead to a monthly rise of 1.5 per cent in the CPI. This rise will be absorbed equally by the workers and the employers and will not be taken into account for the purposes of calculating the C-o-L increment.

For the subsequent subsidy cuts, the workers will be compensated by a linked cash payment of IS1,650 (at present rates), to be paid in March, and a further IS1,650 to be paid in April. Part-time workers will be compensated partially.

Compensation for pensioners and welfare recipients will be decided jointly by the Treasury, the National Insurance Institute, the Histadrut and the employers.

The government will allow salaried workers an income tax reduction of 5 per cent for the months of May, June, and July. (The first package deal provided for an identical reduction for the months February, March and April.) The reduction will be given to all those whose salaries fall below the C-o-L increment ceiling.

The agreement does not cover the prices of government goods and services, bonds or taxes, in particular postal and telephone rates, hospitalization, kindergartens and university fees.

The profitability of exports will be maintained during the period of the agreement. The rate of support for exports and interest rates will be revised every two months.

The government reaffirms its commitment to full employment and will take steps to prevent unemployment. The Histadrut and the manufacturers will be party to the drawing up of this policy.

The taxation structure will be reformed. In this framework, income tax rates will be lowered after consultation between the sides. The government will act against black capital.

The "exemptions committee" will comprise two representatives from each of the Treasury, the Industry and Trade Ministry, the Histadrut and the employers. Each delegation will have one vote.

Any delegate will be able to appeal the committee's decisions to a "follow-up committee" consisting of the Finance Minister, the Secretary-General of the Histadrut and the chairman of the Coordinating Bureau of Economic Organizations. The follow-up committee will follow the implementation of the agreement and will prepare for the post-agreement period.

The government will undertake to pass the necessary legislation for the implementation of the agreement. The Histadrut and the employers will reach a collective agreement to incorporate the terms of this agreement in their past agreements. The collective agreement will be widened by government order to include all economic elements.

Histadrut opening campaign to sell the deal to the workers

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. - The Histadrut is to embark today on an intensive information campaign to sell the new economic agreement to the workers. Trade Union Department Chairman Haim Haberfeld told *The Jerusalem Post* last night that he did not expect the agreement, which broke the automatic linkage between prices and wage compensation, to lead to significant labour unrest.

Histadrut Secretary-General Yisrael Kessar is to hold a press conference this afternoon to explain the agreement, which was signed by the Histadrut, the government and the manufacturers on Thursday night. In addition, Histadrut officials are preparing a pamphlet and other background literature on the agreement.

Kessar is to hold meetings with labour councils and works committees around the country to explain the agreement's significance and win the workers' support, Histadrut sources said.

In an interview with *The Post* on Friday, Kessar described the agreement as a "painful but necessary step." He said that he signed the agreement "out of deep fear for the fate of the workers."

The agreement's prime significance is that it represents the first breach in the automatic linkage between prices, wages and financial assets. For the first time, the Histadrut agreed that certain price-rises - those of subsidized goods - would

not be included in the calculation of the cost-of-living increment paid to workers.

Histadrut officials estimate that the agreement will lead to wage erosion of between 3 and 4 per cent by April. They strenuously reject the estimate of Amnon Neubach, the prime minister's economic adviser, that wage erosion will be as high as 7.5 per cent.

Kessar phoned Neubach on Friday morning to dispute his estimate, which featured prominently in most of the daily newspapers that morning. According to Kessar, Neubach's figure, which he termed a "provocation," did not take into account the cash payment that workers will receive in compensation for the pay rises, and the 5 per cent reduction in income tax levels that will come into effect next month.

Kessar told *The Jerusalem Post* that the cash compensation - IS6,575 in February and an additional IS1,650 in March and April - will ensure a far fairer distribution of the economic burden. Payment of cash, and not percentage, compensation, will mean that the erosion is progressive, with low salary earners receiving the most compensation, he said.

The Histadrut's proudest achievement was in keeping past wage agreements out of the control of the new agreement, he said. Consequently, there is nothing in the agreement to prevent workers from raising wage demands or demanding compensation for past wage erosion.

Kessar strongly denied reports that he and Manufacturers Association

President Eli Hurvitz had an "understanding" that wage demands would not be raised during the period of the agreement. Haberfeld said that the Histadrut had rejected Hurvitz's proposal of an understanding during Thursday night's final negotiating session.

Negotiations between the Histadrut and the employers over the payment of compensation in the private sector will resume in February, Haberfeld said. The date for the next session will be set in contacts between the two sides today. The negotiations began last November, but the employers maintained that compensation could not be paid due to the freeze imposed by the package deal.

Kessar and Haberfeld also denied that any understanding had been reached on the government's proposal, strongly supported by the manufacturers, that public-sector workers receive only five days' pay for a six-day work week. That is a matter for individual employers and work committees to decide, Kessar said.

Histadrut sources explained that the private sector work agreement, signed last April, provided for the maintenance of a balance between the wages of private and public sector workers. At present, the average public service wage is some 8 per cent higher than that in the private sector.

Rather than balance the disparity upwards, the private sector employers proposed that public sector

workers be paid for only five days work a week. The result would be a 7 per cent drop in public sector wages, thus almost returning the balance.

The Histadrut's rejection of the proposal does not mean that a five-day work week will not be instituted in certain public sector work places. Both Kessar and Haberfeld indicated that, while they would not impose the arrangement on the workers, it could be an acceptable means of maintaining employment.

The CPI will go up 10 per cent during the first month of the new agreement, by 8 per cent the second month and by 4 or 5 per cent a month thereafter, Finance Minister Yitzhak Moda'i predicted during a television interview Friday evening. "My real hope is that the index will remain at 4 or 5 per cent a month even after the agreement has ceased to operate," he said.

The first package deal artificially checked inflation by administrative means, he said. "We believe the new agreement has economic validity and is not dependent on administrative maneuvering."

He said that allowing subsidized goods and services to be included in the first package deal was a big mistake. "I was misled because I was told that it would only be for a few days, after which the subsidized items would be removed from the package," he said. This time, the government has not let its hands be tied, he added, and government fees and taxes will be updated as necessary.



Finance Minister Yitzhak Moda'i, Prime Minister Shimon Peres and Histadrut Secretary-General Yisrael Kessar continue their talks on the package deal late Thursday night. (Amram Gali)

Austrian minister won't quit for meeting Walter Reder

VIENNA (Reuters). - Austrian Defence Minister Friedrich Frischenschlager yesterday defended his rejection of freed Nazi war criminal Walter Reder and rejected calls that he should resign.

Former SS Major Reder, 69, jailed for over 30 years for a wartime massacre of 600 Italian civilians, was released from an Italian prison on Thursday and flown home to Austria, where Frischenschlager received him and accompanied him by helicopter to hospital.

Austrian socialists Friday criticized Frischenschlager for meeting Reder and said the incident could cause problems for the country's coalition government.

The Socialists are senior partners in the coalition with the right-wing Freedom Party to which Frischenschlager belongs.

The Socialist Party's general secretary Peter Schieder said: "It was clearly unnecessary for Frischenschlager to accompany Reder personally from Graz to Baden."

Frischenschlager said: "I did not meet him as a member of the government but for technical reasons." He added: "You can take the most varied positions on the events in question... War criminals are war criminals, I stand by that."

Reder, an Austrian citizen, was sentenced to life imprisonment after being convicted of responsibility for the deaths of about 600 people in Marzabotto, northern Italy, in 1944. He was the last Nazi war criminal in Italy.

Frischenschlager said he welcomed Reder's release on humanitarian grounds. He did not believe his meeting with him would be misunderstood and most Austrians would be glad to see him home.

Frischenschlager arrived in Cairo last night for three days of talks on military cooperation with Egypt, the Middle East News Agency reported. The Austrian will relay a verbal message to Egyptian President Hosni Mubarak from Chancellor Fred Sinowatz, the agency said.

Troubled Jordan Rift settlers looking for cabinet patrons

By MICHAEL KILAN
Jerusalem Post Reporter

MA'ALEH EPHRAIM. - Settlers in the Jordan Rift are trying to create a political pressure group including both Labour and Likud ministers to help them get out of what they call a ten-year rut in the development of the area.

The latest of several ministers who have visited the area to hear the settlers' woes was Health Minister Mordechai Gur, who toured the area on Thursday. He was preceded by Ministers Gideon Patt, Yigael Hurvitz and Arye Nahamkin. The settlers also plan to meet with Prime Minister Shimon Peres in two weeks time to press their cause.

"We don't really think we'll get very much now, with every single budget in sight being slashed," one of the activists among the settlers said. "At best, under the current conditions, they will have to match every dollar invested here with several more invested in Samaria."

All the spokesmen and women for

the settlers tried to pin responsibility for the development of the area on the Labour Party, which started to set up agricultural settlements there in the early 1970s. Gur, for his part, accepted the responsibility, and allowed that the area had been neglected.

In a meeting with settlers in Yafit, a moshav composed mainly of immigrants from France, Gur said the Jordan Rift was one area about which "there is no argument" in principle between the major political parties. The problem is implementing this agreement, he said.

Gur indicated that there was not much chance of any major development push until the troops are out of Lebanon and the worst of the economic crisis is over. The Jordan Rift has problems attracting interest from potential settlers because of the very difficult climate in the summer, Gur said. He added that the Lebanon War had called into question the classic Israeli strategy of putting settlements on the country's borders for reasons of security.

Petrol bomb hurts driver in Kalkilya

KALKILYA (Itim). - A driver was moderately injured on Friday evening when a petrol bomb exploded against his car as he was driving out of this town three kilometres east of Kfar Sava.

Two petrol bombs were thrown at the car, but only one exploded.

The driver made his way to Meir Hospital in Kfar Sava, from where he was transferred to Petah Tikva's Beilinson Hospital.

Security forces imposed a curfew on the town's southern neighbourhoods. This was removed yesterday morning after several arrests had been made.

EGYPT TO PRESS

tion members on Friday, about tactics for the Beersheba meetings, one of the participants said: "We need the Nelson lease revelations like we need a hole in the head!" It was suggested that Egypt be assured that, since the Nelson holiday village was of long standing, from before the peace agreement, the lease contract did not constitute any change in the situation.

The Beersheba meetings, due to last three days, will probably also cover the suggested transfer from Egypt to the Gaza Strip of some 7,000 refugees who live in the so-called "Canada Camp."

When the Rafah border was demarcated in spring 1982, the barbed wire fence split a refugee camp there in two. Israel agreed during subsequent contacts to take in those refugees who had been separated from their relatives. But it did not give its consent in writing.

The figure of 5,000 refugees mentioned two years ago has since swelled to 7,000. Egypt has said it is willing to contribute to the cost of the transfer and rehousing.

Israel will suggest that in return for this humanitarian gesture of permitting family reunions, Egypt too should make certain gestures of goodwill. These would include further searches for the remains of the 19 missing IDF soldiers in Sinai who fell in the Yom Kippur War: permitting the Israel Navy to search in Egyptian

coastal waters for the lost submarine Dakar, which disappeared under unknown circumstances while sailing to Israel from Britain, and allowing Israeli pleasure yachts to call at the Coral Island (Jezirat Far'un) south of Taba. Such vessels have frequently come under Egyptian fire of late.

On Friday Bassamony met Prime Minister Shimon Peres' political adviser, Dr. Nimrod Novik, to exchange views on the issues scheduled to come up in Beersheba, and incidentally to complain about the Nelson land lease. Nimrod will attend the Beersheba meetings as an observer on behalf of Peres. The official delegation is headed by Foreign Ministry officials and includes senior Defence Ministry personnel as well.

(Continued from Page One)
with the MFO merely acting to "keep foreign forces out," which is one of its tasks elsewhere in the Sinai peninsula.

The Egyptian delegation is to arrive at Ben Gurion airport from Cairo on a regular Air Sinai flight at 8 a.m. and drive to the Desert Inn Hotel at Beersheba where the talks will be held. A first session is likely before lunch.

The Egyptian delegation, in its introductory statement, is expected to suggest that the talks centre on the disputed sovereignty issue. It will call for arbitration to rule on which of the two countries rightfully owns Taba, arguing that negotiations have proven fruitless. The Israeli delegation will contend that in its view negotiations have not been exhausted, and that even if they have been, the first recourse should be conciliation, and only should that fail, the question would go to arbitration.

Egypt has meanwhile voiced annoyance at the reports that the Israel Lands Administration has decided to grant a 49-year lease to the Rafi Nelson holiday site at Taba. Egyptian diplomats in Eilat and Tel Aviv told Israeli reporters that the lease is one of a long series of Israeli attempts to add *faits accomplis* to what they consider is the unlawful annexation of Taba.

When Vice Premier and Foreign Minister Yitzhak Shamir held a final consultation with the Israeli delega-

CARLA and YOEL BEN-TOVIM, together with their sons and families, announce with profound sorrow the sudden death in Madrid of

ABRAM PINTO

and share the grief of the Pinto family. He was a generous and staunch supporter of Israel and many of its institutions. May his memory be blessed.

January 1985

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In sorrow and anguish we announce the sudden death of

YITZCHAK HACARMELI יצחק

The funeral will take place today, Sunday, January 27, 1985 at 12.00 noon at the Shamgar Funeral Chapel, Jerusalem and then leave for the Eretz HaChaim Cemetery, Har Tuv Junction.

Deeply mourned by:
His wife: Miriam
His sister: Amalia Yosselovitz
and Families in Israel and the U.S.A

Shiva at 407 Rehov Betar, Talpott, Jerusalem.

In deep sorrow we announce the death of our beloved

MAX SEGAL

The funeral will leave today, Sunday, January 27, 1985 at 2.30 p.m. from the Municipal Funeral Parlour, 5 Dafna St., Tel Aviv, for the Kiryat Shalom cemetery.

The Bereaved:
Schoschl and Itzik Kapuler
Hilde Strauss
and grandchildren.

On the fifth anniversary of the passing of our dear

DAVID (Jungo) KATZ

there will be a memorial service on 6 Shvat 5745, Monday, January 28, 1985, at 3.00 p.m. at the Old Cemetery opposite Hof Hacarmel, Haifa. Entrance at the gate to the Military Section.

The Family

KNESSET SPOTLIGHT/Aryeh Rubinstein

Urgent motions may disappear

Last Wednesday, the Knesset schedule consisted of five ordinary motions for the agenda and two urgent motions for the agenda. The subject of one of the urgent motions was "voluntary organizations in Israel," and of the other "assaults on and robberies of the elderly."

The Knesset Presidium last Monday had not recognized the urgency of the latter motion, which had been submitted separately by five different members, but the House Committee on Tuesday overruled the Presidium on an appeal.

When Police Minister Haim Bar-Lev replied to that motion, he noted that the subject had been raised only three weeks before in an "oral parliamentary question" and that he had no choice but to repeat much of what he had told the Knesset then.

Speaker Shlomo Hillel grants that there was nothing particularly urgent about the motion on voluntary organizations. He explains that it was a special case. The Presidium recognized its urgency, not because the sponsor was a deputy speaker (Dov Ben-Meir), but because it had been inspired by Social Affairs Minister Moshe Katsav, who was interested in the Knesset holding a debate on the subject.

But the news is that after 36 years, the House Committee, at Hillel's initiative, is now considering the abolition or near-abolition of the urgent motions. And to compensate the members, the quota of ordinary motions for the agenda may be doubled.

What makes the urgent motions so

popular with MKs is that they are a free ride: they are not charged to their regular quota. Further, if their urgency is not recognized, they often get reported on radio or television (much less so in the newspapers).

This has led Sheva Weiss (Alignment) to quip that the motions for the agenda (*hatza'a l'seder havom*) is mostly a declaration for the agenda (*hatzara l'seder havom*).

This is especially true on Saturday and Sunday night, because of the paucity of news then. "Knesset Member Pnina Aloni has submitted an urgent motion for the agenda on..." we are told. And in at least 65 cases out of 70 that is the last we hear of it.

Hillel estimates that over 100 urgent motions are submitted to the Presidium each week, on some 70 different subjects. Even after the House Committee appeal stage, only three or four a week are recognized as urgent, but because some of these have been sponsored by more than one MK, that can mean two or more speakers per motion, with much regurgitation, of course.

This is in addition to the ordinary motions, whose sponsors may have been waiting for weeks for their big day.

Hillel says the Presidium gets bogged down at its Monday morning meeting in the flood of motions, and that the same is true in the House Committee on Tuesday mornings when the first order of business is appeals from the Presidium's negative rulings.

He confirms the charge made by Weiss that there is a lot of one-hand-

washing-the-other in the committee. Over 90 per cent of the appeals are submitted by committee members themselves with respect to their own motions.

Weiss has called attention to the fact that all nine of the appeals submitted to the committee two weeks ago were submitted by members of the committee. This writer adds that four of the five motions last week on assaults on the elderly were submitted by committee members.

Judges - a fixed vote?

Elazar Granot (Mapam) charged last Tuesday that the election of the Knesset's two representatives to the Judges Election Committee (formerly the Judges Appointment Committee) had been "fixed."

The Alignment's Idan had been elected with 74 votes and Dov Shilansky (Likud) with 59, because of a "conspiracy" between the two major factions, thus killing the chances of Shulamit Aloni (CRM), who received 32 votes, he said.

"An agreement, yes; a conspiracy, no," replied Justice Minister Moshe Nissim. There was nothing new about such an agreement, he said.

A little checking revealed that an opposition member has never been elected to the committee. In the Ninth and Tenth Knesset the Knesset's representatives were Shilansky and Avraham Melamed (National Religious Party). In the Eighth Knesset they were Moshe Carmel (Alignment) and Melamed. In the Sixth and Seventh they were Mordechai Bibi (Alignment) and Yosef Goldschmidt (NRP).

50 fund-raisers helped pay Sharon's defence

By WALTER RUBY
Jerusalem Post Correspondent

NEW YORK. - A wealthy Long Island businessman, said yesterday that he had raised funds to help pay the legal costs of Ariel Sharon's libel trial against *Time* magazine.

Mel Dubin, the chief executive officer of Slant/Fin, an air conditioner manufacturer with a factory in Ashdod as well as plants here, said that he had contacted about 36 friends and business acquaintances. About half of them contributed, he said. Dubin declined to say how much money he had raised for Sharon's defence, but an informed source said Dubin had raised about \$15,000.

The source said that Dubin was one of about 50 fund-raisers for Sharon around the country, and that the fund-raising was coordinated by Arnold Foster, former general counsel of the Anti-Defamation League of B'nai B'rith, and a member of the law firm of Shea-Gould, which defended Sharon.

Dubin was introduced to Sharon by Haim Gerlitz, director of market development at Slant/Fin, and, like Dubin, a resident of the wealthy

Long Island suburb of Great Neck. Gerlitz, a former Israeli who served in Lehi, told *The Jerusalem Post* that he had also contributed to Sharon's defence. Last May Gerlitz organized a dinner for the American Committee for Kupat Holim Leumi (national sick-fund) of Israel at which the speakers were Sharon and Mayor Ed Koch. Several weeks after the event, Gerlitz was arrested by the FBI on suspicion of involvement in a loansharking scheme with known underworld figures.

Gerlitz, who faces trial in the case, has maintained that he was an innocent investor in the company which did the loansharking.

Gerlitz said of the fund-raising, "We decided to help Sharon because we believe that his victory is our victory. Sharon is standing up for all of *Am Yisrael*."

According to Dubin, "The costs for Sharon in this case were staggering and we were glad to do what we could to help." Asked if any of those who gave money might expect anything in return from Sharon, Dubin said, "Our only motive is to defend the good name of the Jewish people. We even got contributions from people who do not agree with

Sharon's views because they believed it was important to show *Time* lied in this case."

Dubin added, "It is a sweet moment for us to see *Time* swallow this bitter pill of having a jury rule their story was wrong. No one deserves this more than they do, and we are gratified we were able to help bring this about."

Asked about the report in the *Village Voice* about fund-raising on his behalf, Sharon responded, "All of this activity was carried out through the law office (of Shea and Gould) and I never received anything (directly). I never dealt with any of this myself."

Sharon pledged that "all of my expenses that were paid by the government of Israel will be paid back to the last penny before I leave New York. All of these expenses will be covered by me. You don't need to worry about that."

Meanwhile Joseph Nakash, part owner of Jordache Inc., who was named in the *Village Voice* article as Sharon's biggest contributor, said, "The whole story is absolutely untrue. I did not raise money or give any money for this effort. I have no idea where the (*Voice*) got this idea."



Ray Cave, left, managing editor of *Time*, and Ariel Sharon, shown as they left the New York court on Thursday after conclusion of the minister's libel suit against the magazine. (Reuter telephoto)

JURY DIVIDED

(Continued from Page One)

the Kahan Commission. That helped convince us to decide the falsity issue for Sharon."

On the final question of malice which the jury decided in favour of *Time*, Burdick explained, "We decided, after many days of pouring over the evidence, that both (correspondent David) Halevy and (Jerusalem bureau Chief Harry) Kelly believed that their story was true when they wrote it. We reasoned that Halevy must have believed that the discussion of revenge was in Appendix B, since he knew that Appendix B would be checked and what he said could be proven or disproven. He wouldn't have been so stupid to write that this is in Appendix B unless he really believed it."

Asked why the jury had included a statement in its verdict saying that *Time*'s journalists had acted "negligently and carelessly in reporting and verifying," Burdick said, "We didn't want to leave the impression that since there was no malice *Time* was therefore blameless in its report. We felt there was a need to make clear (to *Time*) that there was something to be concerned about."

Burdick, a 36-year-old management consultant who lives in Manhattan said, "I think the most important thing to come out of this trial is that the press has to be responsible - not only for what it writes - but also for how its readership is going to understand what it writes. *Time* felt it was communicating one thing, but we found that they actually communicated something very different to the average reader."

Meanwhile, Floyd Abrams, a New York lawyer specializing in freedom of speech questions, praised the work of the jury. In remarks to *The New York Times*, Abrams said, "Here we had a jury that was able to distinguish between its own ruling that *Time* had reported something that wasn't true and the proposition that *Time* lied."

Jack Landau, director of the Reporters Committee for Freedom of the Press, told *The Times* that he was pleased with the verdict, but worried about the effect of the threat of potential libel suits on smaller publications which would be unable to come up with the more than \$1m. *Time* spent to defend itself.

According to Landau, "A large news organization with a battery of lawyers can decide whether or not to publish something, but a little weekly or monthly is absolutely lost."

However, Arnold Forster, a member of the Shea and Gould law firm who was responsible for raising \$350,000 in private donations to help pay for Sharon's legal costs, said, "The Sharon verdict proves once again that (under the present U.S. libel laws) the news media are virtually above the law. General Sharon was found innocent of the scurrilous charge levelled by *Time* magazine, which nevertheless escaped liability for damages."

In an editorial on Friday, *The New York Times* termed the outcome of the trial "constructive and salutary." The paper stated, "The verdict affirms the law's special protections for a free press - but also underscores the obligations that the media bear."

According to *The Times*, "The jury found an absence of malice, but no shortage of arrogance...If after studying the reporting, writing, and

Police and kids hurt at Maccabi Netanya home game

Post Sports Reporter

NETANYA. - Several policemen and at least three children were hurt in a melee outside Maccabi Netanya's football ground on Friday afternoon.

The disturbances were the result of a match between the local club and league leaders Maccabi Haifa and the home club's sale of more tickets than the ground can hold. The capacity is 9,000. [Haifa won 3:1 - report on page 7]

Some 40 minutes before the 2.30 p.m. kick-off, police ordered all the entrance gates to the grounds closed. This was done. But the Netanya club officials say that hundreds, perhaps thousands, of fans without tickets managed to get into the ground when police opened a gate to allow an ambulance and police vehicle to enter.

Several thousand supporters - many with valid tickets - were left outside when the gates were closed. Among the disappointed were Mayor Yoel Elroy and national soc-

cer coach Yosef Miromowich.

Both Elroy and Netanya club officials pledged after the incident that the ugly scenes would not be repeated. They said that until Netanya could improve ground conditions, key matches would be transferred to larger capacity venues.

There were numerous complaints from disgruntled ticket holders of price hiking at the official ticket booths. Several fans said they had been asked to pay IS5,000 for tickets marked IS4,000 and one man said he'd been asked for IS10,000 by a ticket vendor.

Another complaint was that tickets were still being sold after the gates had been closed and admission - by legal means - was impossible. These charges could not be authenticated.

Haim Haberfeld, chairman of the Football Association, said that before any judgement would be passed on the club, a thorough investigation would be held into the day's events.

Food Week yields contracts worth millions of dollars

By YITZHAK OKED

TEL AVIV. - Deals worth millions of dollars were signed over the past few days and more on the same scale are to be signed soon in the wake of Food Week, which ended last Thursday night at the Hilton Hotel here.

Yael Artzi, head of the Food Centre at the Israel Export Institute, who was among the organizers of the week, told *The Jerusalem Post* that the main contracts are normally signed some time after food week. She pointed out that this year a record 600 buyers came from abroad for the week. Altogether, they represented firms having a buying power of over \$50 billion.

The 118 food exporters who exhibited their goods appeared optimistic, claiming that they would be able to sell their produce at good prices this year because of the damage the freezing weather did to agriculture in Europe and parts of the U.S.

Local thieves took advantage of the confusion when some exhibitors dismantled their stalls at the end of the exhibition to take apart a complete stall, food and special refrigerators and all, and leave the hotel with it.

The organizers refused to reveal which exhibitor was hit, saying the theft was now being investigated by the police.

12-year-old killed in fall from tractor

KIRYAT GAT (Itim). - A 12-year-old boy riding on a tractor with two other youngsters fell off and was killed here on Friday. The 17-year-old driver had taken the boys with him to work in the fields of Moshav Nir Banim. Police who arrested the driver discovered he had no licence to drive the tractor.

Sleeper saved from Tel Aviv school fire

TEL AVIV (Itim). - Fireman called to put out a fire before dawn on Friday at the Ron high school in Tel Aviv rescued a school employee from the territories who was sleeping in the building. The fire, which started at 3:30 a.m., damaged the library and school office.

IBA decides to re-issue controversial TV tender

By GREER FAY CASEMAN
Jerusalem Post Reporter

The Israel Broadcasting Authority is re-issuing a controversial tender for a new director of Israel Television.

The authority's management committee decided to re-issue the tender, by majority vote at an emergency meeting on Friday.

The decision means that Dan Shilon, a veteran television personality who has been considered a leading candidate for the post, will not be able to apply for the job.

He was ruled ineligible last week because he does not have an academic degree, required under the tender for candidates who are not

currently employed by the IBA.

That decision sparked controversy and demands for a new tender to be drawn up. Friday's decision to re-issue the same tender has brought fresh appeals.

Two Labour Party members on the management committee, Yisrael Peleg and Amiram Nir, say they will ask the Minister of Education and Culture, Yitzhak Navon, to use his authority to change the tender.

IBA chairman Micha Yonon, who voted against a re-issue of the original tender, will reportedly press Navon to immediately answer the appeal today, so his answer can be brought before a scheduled meeting this afternoon of the IBA plenum.

MKs: Shamir apathetic as party chief

Jerusalem Post Reporter

Vice Premier Yitzhak Shamir is not doing enough to lead Herut, several Knesset members identified with David Levy's camp in the party said on Kol Yisrael yesterday.

"I don't understand his sudden apathy," Gideon Gadot said. "After all, he was prime minister and was a successful leader for the whole country. So why isn't he leading the party?"

Yehoshua Matza added that he advised Shamir to be more active in running the party and to hold meetings of its elected bodies, but his advice was not heeded.

Meir Shitrit, identified with the Shamir camp, said Herut and the Likud in general have a problem because the incumbent prime minister is successful and knows how to be popular with the public.

"If we don't do something, and

fast, we will be coasting downhill and won't be able to stop in time," he said.

Asked if Ariel Sharon might exploit his libel suit for political gain, Likud Knesset caucus head Haim Kaufman said Sharon's charisma and record as a fighter may be attractive to many at a time of uncertainty when people crave strong, decisive leadership.

Transport Minister Haim Corfu said it was too early to talk about a successor to Shamir, and that there will not be a race for party leadership until Shamir decides to step down.

Several participants in the programme said that if and when there is a contest, it will not only be between Levy and Sharon. Moshe Arens is also a possible contender, they said, and there may be additional aspirants who have not yet officially joined the race.

Earthquake jolts centre of country

Jerusalem Post Reporter

TEL AVIV. - An earthquake measuring 4.8 on the Richter scale shook the centre of the country Friday morning, breaking some windows in Jerusalem but causing no injuries or serious damage.

The tremor occurred at 8:08 a.m. and lasted about ten seconds, with an epicentre north of the Dead Sea near Jericho.

Dozens of Jerusalem residents called the police after the quake, and broken windows were reported in the neighbourhood of Ramat Eshkol.

The tremor was felt in various areas of Tel Aviv, particularly by residents of tall buildings, but no damage was reported.

In Beersheba only a slight tremble was felt.

Earthquake kills six in Argentina

MENDOZA, Argentina (AP). - Six people were killed and at least 150 were injured early yesterday after a strong earthquake shook parts of western Argentina, according to the Civil Defence Authority.

The quake, registering seven on the Mercalli scale, toppled buildings in Godoy Cruz, including the 100-year-old Del Carmen Hospital from which patients were evacuated. Some of the patients were reported injured.

The Civil Defence Authority said the epicentre of the quake was in Godoy Cruz, south of the Argentinian provincial capital of Mendoza and some 1,127 kilometres west of Buenos Aires.

U.S., French scientists to share Wolf Prize

HERZLIYA. - The Wolf Foundation Prize in Physics for 1984-85 is to be awarded to Prof. Conyers Herring of Stanford University in California and Prof. Philippe Nozieres of the University of Grenoble I in France, the prize committee has announced.

The two pioneers in solid state physics will share the \$100,000 Israel-based award for their major contributions to the fundamental theory of solids, especially of the behaviour of electrons in metals.

"Mother Fatme" nabs syringe-stealing junkie

HOLON (Itim). - "Mother Fatme," a cleaning woman at the emergency room of Wolfson Hospital, caught a drug addict who tried over the weekend to steal needles and syringes from the resuscitation unit in the corner of the emergency room.

"Mother Fatme," a short, 60-year-old woman, saw the addict, jumped him and held him down until police arrived and arrested him.

Hospital staff members said this was the third time in a year that Fatme had helped catch addicts who tried to steal from the emergency room.

WALK. - Some 5,000 marchers, ranging in age from three to 87, took part yesterday in the 20th annual Arad-Masada walk, organized by the Maccabi Centre.

Tomorrow - Civil Defence (Haga) Exercise in Ashkelon Area

Tomorrow, Monday, January 28, there will be a Haga exercise in the Ashkelon area. During the exercise, the sound of firing and explosions will be heard, and the sirens will sound the all clear. In the event of a real attack, the sirens will sound a rising and falling note.

"WHY VIA AMSTERDAM AIRPORT, SCHIPHOL?"

"I WON THE VOLVO... MY WIFE IS AFTER THE DIAMOND!"

Indeed: when you fly KLM Business or Royal Class via Schiphol with direct transfer to an intercontinental destination you have a good chance to be the winner of a Volvo 760 GLE, a diamond, a free Dutch holiday for two, Philips pocket memo or Avis Car rental voucher. Actually everyone wins in this campaign. Passengers who do not win one of the major prizes (the raffle is made on the spot) get a certificate with a value of approx. 5 dollars to be spent in the tax-free shopping centre at Schiphol Airport.

This campaign, continuing until March 23, 1985, is offered by Holland Promotion Foundation

Ask for the "Schiphol Win-on-the-Way" voucher at KLM check-in counter at Ben-Gurion Airport.

The Reliable Airline **KLM**
Royal Dutch Airlines

Campaign to encourage voluntary work

Jerusalem Post Reporter

HAIFA. - A campaign to encourage more people to participate in voluntary activities is to be launched in the city's French Carmel neighbourhood tomorrow.

Hundreds of students, staff and workers of the Leo Baeck High School and community centre are to visit thousands of homes in the area with a list of activities for people to choose from.

A spokesman for the community centre said the campaign, called "Volunteer Day," is the culmination of a year-long investigation into the needs of the local community.

The campaign has the support of

30 voluntary organizations, which were instrumental in highlighting the areas where voluntary aid is needed.

The list of voluntary activities includes road safety work, assisting new immigrants and hosting Jewish children from abroad, promoting coexistence between Jews and Arabs, environmental protection and conservation, helping handicapped children and adults, and assisting orphans and single parent families.

The campaign got under way last night with a discussion evening at the centre attended by Knesset Member Shulamit Aloni, Voice of Peace founder Abe Nathan and Maccabi Haifa soccer star Zahi Armeli.

THE YOUTH ISRAEL CENTER
TORAH EDUCATION
Charles and Minnie Bart Memorial Institute

Today, January 27, at 8.00 p.m.
Rabbi Chaim Luban, Rabbi Emeritus, Young Israel of Forest Hills
Subject: The Implications of the Garden of Eden
Second Lecture: The Tree of Knowledge
Young Israel Center, 28 Shmuel Hanagid,
corner King George, Jerusalem. 02-2251523.
0202-23-124

German party expels author of Silesia article

BONN (Reuters). — The author of a Silesian exiles' newspaper article which caused a furor by envisaging West German troops "liberating" parts of Communist East Europe has been expelled from Chancellor Helmut Kohl's Christian Democratic Union (CDU), a party official said yesterday.

Rudolf Sprung, the CDU's Goslars area chairman, said the branch committee voted unanimously Friday night to expel Thomas Finke, who wrote the article in last week's *Der Schlesier* (The Silesian).

The paper is the official organ of the League of Silesian Exiles, which claims to represent millions of Ger-

mans who fled or were expelled when Silesia became part of Poland in 1945.

Sprung, a state secretary in the Economics Ministry, said the step was taken because the "abstruse thoughts expressed in the article have nothing in common with CDU policy."

The article was attacked both in West Germany and in the East European press. It fuelled a row over Kohl's agreement to address the league's annual rally in Hanover next June, which up to 150,000 people are expected to attend.

The West German government

described it Friday as "irresponsible, damaging and foolish."

The Soviet news agency Tass followed up yesterday by calling it "nonsense capable of originating only in the head of a madman."

The article envisaged West German forces greeted as liberators as they marched into the German territories which became part of a Communist eastern Europe after World War II.

The article imagined the Soviet Union, collapsing under a war with China and a Moslem uprising on its own soil, pulling its forces out and freeing the way for the West Germans.

Botha says blacks will get more influence

CAPE TOWN. — South African President P.W. Botha said Friday the country's black majority would be given more political influence but stopped short of saying they would be included in the white-run central government.

He said the government intended to resolve the problem of forced removals of blacks from areas designated for whites, which have sparked bitter international condemnation.

He said the government was giving urgent consideration to steps to eliminate negative and discriminatory aspects of the laws which restrict the movement of blacks.

Botha was opening a new parliament in which Indians and coloureds (people of mixed race) will take part for the first time. Blacks are excluded from the new legislative set-

up. Full political control is still in the hands of the white minority.

Botha said it had been decided that blacks living outside the tribal homelands set up by Pretoria under the apartheid system of racial separation must be given political participation and a say at higher levels.

Botha said, "Structures must therefore be developed for black communities outside the national states through which they can themselves decide on their own affairs up to the highest level."

He emphasized that independence for the homelands remained the government's goal although he said the vexed question of South African citizenship was being investigated.

At present blacks are forced to forgo their South African national-

ity and become homeland citizens. Many thus lose the right to live and work in South Africa and need special documents for overseas travel.

White opposition leader Frederik van Zyl Slabbert said the move was tentative and cautious, but could mark a new approach to the country's racial conflicts.

Patrick Lekota, publicity secretary of the multi-racial United Democratic Front, which represents the mainstream of black opposition to apartheid, said Botha's suggestion that blacks might be allowed to own land and get some form of political rights was a "ploy to divide the African majority."

"The number of urban Africans will be reduced to allow for the continued numerical domination of the central government by whites," Lekota said. (Reuters, AP)

Kampuchean resistance can't win, top Thai general says

TAPHRAYA, Thailand (AP). — One of Thailand's top military commanders predicted on Friday that Kampuchean resistance efforts could not defeat the Vietnamese there and suggested a partition of that war-torn country.

Lieut.-Gen. Pichit Kullavanijaya, who commands the first army, also criticized the West, China and the UN for failing to take adequate measures to solve Kampuchea's problem.

The outspoken general, who fought in Vietnam and helped engineer the defeat of Thailand's communist insurgency, told AP that the associated resistance groups could not hope to drive out some 180,000 Vietnamese troops. He noted the three-party Kampuchean rebel coalition also lacked unity.

In Bangkok yesterday, UN Secretary-General Javier Perez de Cuellar called for negotiations to end the "suffering, destruction and agony," in Kampuchea. Today he plans to visit tens of thousands of refugees uprooted by an ongoing Vietnamese offensive along the Thai-Kampuchean border.

The UN chief, who also will visit Vietnam during his current peace mission, said he would "do my utmost to bridge the differences and facilitate the search for a peaceful resolution" to the six-year-old conflict.

Among the locations he is to visit today is the sprawling refugee camp of Khao-I-dang, to which some 62,000 Cambodians have recently been moved after fleeing border fighting.

Chad plaint to UN on continued Libyan occupation

UNITED NATIONS (Reuters). — Chad has called for a meeting of the Security Council, accusing Libya of continued interference in its affairs and of illegally occupying 550,000 sq. km. of its territory.

The charges came on Friday in a letter to Council President Claude de Kemourian of France.

No date has yet been set for a Council meeting pending arrival of the Chadian foreign minister.

Libya supports former Chadian president Goukouni Oueddei, who has been waging a prolonged struggle to overthrow President Hissene Habre.

France, which sent troops to Chad to halt a southward advance by Libyan-backed forces, reached an agreement with Libya late last year for a mutual pull-back. Habre later said Libya had failed to respect the accord.

Opec oil ministers in fresh bid to boost weak prices

GENEVA (AP). — Opec oil ministers began arriving here yesterday for their third attempt in two months to bolster sagging oil prices.

The 13 ministers were expected to discuss the problem of price differentials between various types of crudes during their meeting, which begins tomorrow. The differentials committee was scheduled to meet today.

Eight ministers had arrived by last night. Iraqi Oil Minister Qasim Tariqi and Algerian Minister Belkacem Nabi told reporters they favoured a reduction of the price differential between the oil cartel's lightest and heaviest crudes.

Tariqi said he thought the differential should be lowered from the current \$4.5 dollars to \$2.50 to \$3., and the benchmark price of \$29 a barrel should be left unchanged.

The differentials set prices of various grades of oil in relation to the benchmark price. Some Opec members, especially producers of higher-priced light grades such as Algeria, have been seeking reduced differentials in hopes of spurring their oil sales.

Venezuelan Oil Minister Arturo Hernandez Grisanti said any differential formula "should be in accordance with market realities that would allow all member countries to have equitable and fair access to the market."

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Maria Byardya, 75, who performed the autopsy on murdered pro-Solidarity priest Jerzy Popieluszko, shows a club allegedly used in his killing at the trial on Friday of four police officers. (Reuters telephoto)

Film of murdered priest screened for Polish court

TORUN, Poland (Reuters). — Film of the beaten and trussed body of radical priest Jerzy Popieluszko following its removal from the Vistula River was shown on Friday at the trial of four security police officers accused in his murder.

"There is no doubt that these are the remains of Father Popieluszko," a commentary said as the camera panned across the priest's face in close-up.

The unidentified commentator said Popieluszko's face was bloodied "and shows visible signs of having been battered."

Popieluszko, an outspoken sup-

porter of the banned Solidarity Free Trade Union, was kidnapped and killed near Torun on October 19. His body was found in the Vistula 11 days later.

Three Interior Ministry police officers — Captain Grzegorz Piotrowski, Lt. Leszek Pekala and Lt. Waldemar Chmielewski — are being tried for premeditated murder.

Colonel Adam Pietruszka, their chief in the ministry's religious affairs department, which monitors the activities of politically active priests, denies instigating the killing. All four face possible death sentences.

Thatcher turns down drunken suitor

LONDON (Reuters). — A drunken VIP who tried to proposition Britain's Prime Minister was told by Mrs. Thatcher that he had good taste — but she didn't think he could make it.

The story has set Parliament abuzz, and guessing the would-be seducer's identity has become the latest parlour game in British homes.

Nicholas Fairbairn, a former Solicitor General for Scotland, set tongues wagging when he told the story on Friday at a parliamentary session reviewing a bill to stop motorists soliciting women.

Fairbairn said Mrs. Thatcher had been propositioned by a drunken dignitary during a party at Edinburgh's Hollywood Palace. He told her she had always been the object of his desire. "Quite right," the Iron Lady is said to have replied. "You have very good taste, but I just don't think you would make it at the moment."

Fairbairn has refused to reveal any more.

UK miners, coal board agree to talk

LONDON (AP). — Leaders of Britain's striking miners and the National Coal Board will hold "informal talks" this week about ending a 10-month-old strike, officials announced — although the union rejected state terms for full negotiations.

In separate announcements, each side said the invitation had come from the other. Coal Board spokesman Michael Eaton announced that the talks, between second-ranking union and board officials, will be held Tuesday.

National Union of Mineworkers president Arthur Scargill said in a brief statement that the union had accepted a board invitation. The union had offered on Thursday to negotiate "without preconditions."

But the fundamental dispute remains Prime Minister Margaret Thatcher's demand, rejected by the union, that it accept in writing the principle of closing money-losing mines before any new full talks are held.

Tight security at India's Republic parade

NEW DELHI (Reuters). — Tight security was clamped on New Delhi yesterday during India's Republic Day parade of tanks, jet fighters, elephants and saffron-robed monks.

Security forces manned roadblocks, guarded road bridges and frisked people, some of whom slept on the streets overnight to be assured of a place at the ceremony.

President Zail Singh, accompanied by Prime Minister Rajiv Gandhi and guest of honour President Raul Alfonsín of Argentina, reviewed a column of Soviet-built T-72 tanks and Sikh infantry from a dais which the Press Trust of India news agency said was protected by bullet-proof glass.

A government statement issued before the parade said about one million people were expected to attend the event, which marks the anniversary of the introduction of the Indian constitution on January 26, 1950.

Gandhi, flanked by security guards, wore a tight-fitting quilted coat resembling a bullet-proof jacket.

Chile eases curfew in two main cities

SANTIAGO (AP). — The military government on Friday ended strict overnight curfews it imposed last November in Chile's two largest cities to fight political unrest and terrorism.

In Santiago, the ban on anyone being in the streets between 1 a.m. and 5 a.m. was replaced by a prohibition on vehicle traffic only between 2 a.m. and 5 a.m.

The sweeping curfew was abolished altogether in Greater Valparaiso, which includes Vina del Mar, Chile's most popular beach resort. The naval commander there said the restriction was ended partly for the sake of summer tourism, now at its peak.

A nationwide state of siege declared November 6 remains in effect, enabling the government to ban opposition political activities, censor the press and hold dissidents indefinitely without trial.

There has been no indication whether the four-man military junta would renew the 90-day state of siege when it expires February 4.

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Mordechai Bar-On, Member of the Knesset

Admission IS 500

Mystery surrounds fate of U.S. spy satellite launch

CAPE CANAVERAL (AP). — Discovery continued its secrecy-shrouded space mission yesterday, with two mysteries remaining now that sources say the astronauts have released a spy satellite: Did the satellite's rocket work, and when is the shuttle coming home?

Sources close to the project reported the \$300 million intelligence satellite was deployed about 1200 GMT Friday, but they had no information on the performance of an attached "rocket" that was to have propelled the payload into station-ary orbit 35,887 kilometres above the equator, south of the Soviet Union.

The 2.5-ton satellite was designed to monitor Soviet missile tests and eavesdrop on selected military and diplomatic communications in much of Europe, Asia and Africa, according to other sources.

The boost to higher orbit was the job of a powerful inertial upper stage, or IUS, which was making its first flight since one of its predecessors failed on its first shuttle mission.

tossing a Nasa communications satellite into an improper orbit.

The National Aeronautics and Space Administration and the air force plan to use the IUS on several upcoming shuttle missions. Another failure would not only ruin the current mission, which began Thursday, but would severely interrupt a crowded shuttle launch schedule.

There was no official confirmation of the satellite release from Nasa or the air force, in keeping with the Pentagon-imposed silence surrounding most details of America's first all military man-in-space mission.

"We don't have anything to say on that," an air force spokesman said in Houston. "We will at some time announce whether the IUS failed or was successful, but we're not at the point of making that announcement yet."

The space plane is expected to stay aloft at least until Tuesday. The spacecraft and crew are doing fine, according to a Nasa statement yesterday morning.

French defence official slain

LA CELLE SAINT CLOUD, France (AP). — A high-ranking French Defence Ministry official was shot to death from an ambush Friday night as he drove to his home in this Paris suburb. The left-wing terrorist group Direct Action claimed responsibility.

Rene Audran, director of international affairs in the ministry's armaments division, was struck by eight bullets — two in the head and six just below the neck, according to Versailles Prosecutor Rene Barbat.

He said Audran, 56, was preparing to park his car near the garden of his home when the killer or killers opened fire.

A neighbour reportedly found Audran's body in the car with the engine still running.

Audran, father of three children, headed the armaments division, and one of his main duties was supervising arms sales contracts.

An anonymous caller to Agence France-Presse, the French news agency, said Direct Action had carried out "the execution" of Audran.

The U.S. State Department said on Friday it has learned that terrorist groups in several Western European countries have decided to attack Nato installations, governments that are Nato members and other targets.

A spokesman said the U.S. has been in close touch with other gov-



Rene Audran

ernments to meet the threat, but he gave no other details.

In West Germany on Friday, a bomb felled electricity pylons, shutting a nuclear power plant, and two government buildings were evacuated after bomb threats.

The power station at Krümmel, 40 km. south-east of Hamburg, stopped feeding electricity to the local grid after the blast brought down high-tension pylons, a spokesman said. No one claimed responsibility.

Kyprianou seeks U.S. role as Cyprus talks collapse

NICOSIA (AP). — President Spyros Kyprianou said yesterday he asked to meet U.S. President Ronald Reagan in the wake of last week's breakdown of the latest effort to reunite his war-divided island.

"I feel certain that it would be useful to hold discussions at this level," Kyprianou told a press conference at his Presidential Palace.

No date has been fixed for such a meeting, but Cyprus was in contact with the U.S. Government about this, he added.

Kyprianou said he summoned the conference to explain the reasons that led to the breakdown of his summit meeting with Turkish Cypriot leader Raif Denktaş at the UN last week.

The meeting in New York was held in the presence of Secretary-General Javier Perez de Cuellar. It broke down after four days following vastly different interpretations by Kyprianou and Denktaş of a "preliminary draft agreement" prepared

by Perez de Cuellar following three separate meetings with the two leaders over the previous three months.

Kyprianou refused to give a clear answer when asked whether the U.S. government was asked to intervene to rescue the summit meeting when it became clear it was headed for a breakdown.

"There were certain contacts, but allow me to say that the secretary-general and the U.S. could say something about this," he replied.

The U.S. has long expressed an interest in settling the Cyprus problem, one of the main causes of a deep rift between its Nato allies, Greece and Turkey.

Reagan is required to submit a report to Congress every two months on progress achieved toward a Cyprian settlement. This followed the lifting of an arms embargo imposed by Congress on Turkey for using U.S.-supplied weapons to invade and occupy the northern part of the island in 1974.

Khomeini may aid Nicaragua, U.S. says

WASHINGTON (AP). — President Reagan's administration has reason to believe Iran is "in the process of arranging support in the form of oil supplies and funding for armaments" for leftist-ruled Nicaragua, a White House spokesman said on Friday.

Robert Sims, deputy press secretary for foreign affairs, also said "the potential for some expansion of terrorism in this hemisphere is always a concern for us as well."

Reagan brought up the subject of

Iranian aid on Thursday, telling a group of legislators from western hemisphere democracies: "A new danger we see in Central America is the support being given to the Sandinistas by Col. Muammar Gaddafi's Libya, the PLO and most recently the Ayatollah Khomeini's Iran."

Administration officials had previously linked Gaddafi and the PLO to Nicaragua, but Reagan's statement was the first suggestion that Iran had joined the radical forces assisting the country's Marxist-led Sandinista government.

3 Armenians jailed in U.S. for anti-Turkish plot

LOS ANGELES (Reuters). — Three Armenians, described by a prosecutor as part of the fabric of terrorism, were sentenced on Friday to a total of 15 years imprisonment for plotting to bomb the offices of the Tur-

kish consul general in Philadelphia. Viken Hovsepian, 24, was sentenced to six years imprisonment. Karnig Sakisian, 31, to five years imprisonment, and Steven Dadaian, 22, to four years.

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Philanthropist builder gives up on Lebanon

BEIRUT (Reuters). — Rafiq Hariri, a Lebanese businessman who has poured millions of dollars into relief and reconstruction in Lebanon since Israel's 1982 invasion, has decided the money is going down the drain.

"We decided 12 days ago to suspend all our operations," Sabbah Al-Haj, general manager of Hariri's Beirut-based Oger-Liban construction company, told Reuters.

Oger-Liban's major projects in Beirut were to rebuild the shattered city centre and construct 60,000 housing units in war-damaged Moslem suburbs. Fighting last year halted the first project and prevented a start on the second.

Oger-Liban and the charitable Hariri Foundation have given relief and hope to thousands and acted as benefactors amid the country's apparently endless factional conflicts.

Hariri, a stocky energetic man in his early forties, gained much of his wealth by capturing a lucrative share of the construction market in Saudi Arabia. He married the sister of Saudi King Fahd's wife and has also gained Saudi nationality.

His foundation will go on giving scholarships and help to many, but Oger-Liban's decision shows he believes reconstruction is impossible in Lebanon at present.

Hariri folded up the company's plans because he felt his efforts for the country were not appreciated and the government had failed to follow up on his initiatives, Sabbah Al-Haj explained.

He would not resume operations until there was a "change in attitude" on the part of private business and the government.

"Some have taken our work for granted. They come and demand things. Sometimes even by force," he said, "and a certain group is unhappy with what we are doing, trying to keep (mainly Moslem) West Beirut alive," he said without elaboration.

Work on restoring the city centre began in April 1983 and continued until it again became a battleground between Christians and Moslems last February.

Since then Hariri has stood by as militiamen threw up new barricades where Oger-Liban had cleared old ones and shot up streets in which painstaking work had begun to restore French colonial-style facades.

Oger-Liban had spent 40 million Lebanese pounds (\$8m. at the time) on the project, the first phase of which was to have cost about 1.5 billion pounds.

Hariri's decision to retrench is a blow to an economy struggling with stagnation, unemployment and inflation, a yawning balance of payments deficit and a plunging currency. (Story on this page)

But one banker took the news philosophically, saying the harassed "national unity" government probably would not notice it. "Hariri should not waste his money," he added.

Before the Israeli invasion Hariri was building a huge medical complex near Sidon, as a gift for his native region.

During the invasion he sent medical supplies to Sidon and later cleared the city of rubble and repaired utilities, schools and hospitals.



Scene of destruction in West Beirut.

(Auerbach)

A similar clean-up of Beirut took three months and cost Hariri 190m. pounds (\$40m. then).

Hariri spent another \$18.7m. last year on relief and reconstruction in Beirut's southern suburbs, blitzed by the Lebanese army last February.

"Many buildings were flooded because water mains were destroyed, sewage was floating in the streets. Many families lost their homes and needed food and blankets," Hariri has no plans yet to lay off any of the firm's 1,100-strong workforce. "If we dismissed those who are not doing productive work, we would have to dismiss 700-800 people; that would create a crisis."

Exxon profits slip 11.9 per cent

NEW YORK (AP). — Exxon Corp., the world's biggest industrial company, said Thursday its profits fell 11.9 per cent in the final three months of 1984 from a year earlier, reflecting falling oil prices and a glut of petroleum products on international markets.

But gains earlier in the year enabled Exxon to post an 11 per cent increase in profits for all of last year, with earnings climbing to \$5.525 billion from \$4.978b. in 1983.

In a separate announcement, Exxon said it had agreed to sell its office systems business outside the U.S. to Olivetti, and that it was continuing negotiations for the sale of its U.S. office systems business. Terms of the sale to the Italian company were not disclosed.

Earnings in the fourth quarter fell to \$1.425b. from \$1.618b. a year earlier. Revenue in the fourth quarter dipped 1.1 per cent, to \$24.545b. from \$24.806b. a year earlier.

Clifton C. Garvin, Jr., Exxon's chairman, said growth in demand for petroleum and chemicals was spurred in the first half of 1984 by a strong economic recovery. But he added that a slowdown in the second half and warmer-than-usual weather in 1984 "continued to cause surplus supply and excess capacity in the petroleum industry. Crude prices weakened throughout the year and ended the year in unsettled condition."

Finnish banker tripped up by rising dollar

HELSINKI (Reuters). — A senior official at a top Finnish bank has been sacked after losing more than \$7 million through currency speculation when he misjudged the movement of the dollar, the bank said last week.

Pekka Tukiainen, responsible for international transactions at the Bank of Helsinki, one of Finland's two biggest commercial banks, sold dollars on the currency markets believing the U.S. currency would fall after the re-election of Reagan.

However, the dollar has risen from about 2.95 marks at the time of Reagan's victory to stand at 3.16 marks today.

Lebanese pound plunges

BEIRUT (Reuters). — Finance Minister Camille Chamoun said on Thursday Lebanon could face catastrophe if the government did not act quickly to check the rapid decline of the Lebanese pound.

Chamoun issued the warning after he and three other ministers discussed Lebanon's growing economic, financial and social problems at a special meeting summoned by Parliament Speaker Hussein Al-Husseini.

The pound closed Wednesday at a new low of 11.05 to the dollar, compared with about 10.00 a week ago. One year ago it had a value of about 5.50 to the dollar.

Urging the government and Parliament to take immediate measures to check the currency's plunge, Chamoun told reporters: "In the event of any delay, I am afraid we may face a catastrophe."

He said it was unlikely the pound could regain its former strength on currency markets and the best that could be hoped for was to check its decline.

British seamen urge ban

LONDON (Reuters). — Leaders of British seamen urged the government last week to ban foreign vessels from Britain's coastal and offshore shipping trades.

Union leaders said such a ban would add more than 100 ships to the British merchant fleet, give work to 2,500 unemployed seafarers, and guarantee jobs for 20,000 British merchant shipbuilding workers.

U.S. inflation stays low in 1984

WASHINGTON (Reuters). — Inflation in the U.S. remained low for the third successive year in 1984, with consumer prices rising only 4 per cent, the Labour Department reported last week.

Although last year's rise in the Consumer Price Index (CPI) was slightly above the increases of 3.8 and 3.9 per cent during the previous two years, inflation remained well below the 12 per cent rate that prevailed when President Reagan took office in January 1981.

The index rose 0.2 per cent in December after an identical rise in November.

Charter tourism to Eilat almost doubles

Post Aviation Reporter

TEL AVIV. — The number of tourists from abroad flying directly to Eilat nearly doubled between October and December 1984, compared with the same period in 1983, the tourism ministry announces.

According to ministry figures 16,200 tourists flew to Eilat on charter flights, compared with 8,400 who went there between October and December 1983. However, the figures for 1983 were particularly low. In 1981 there were 11,000 tourists and in 1980 the total was 10,700 for the period.

In the last three months of 1984 some 3,500 tourists came from Britain, 3,800 from the Scandinavian countries, 1,000 from Austria, 2,400 from West Germany, 1,200 from Switzerland and 650 from France and Belgium.

Cheaper way to monitor nuclear safety

Jerusalem Post Reporter

BEERSHEBA. — A group of nuclear scientists at the Ben-Gurion University of the Negev here, headed by Prof. Meir Segev and Dr. Alex Galperin, has developed a cheaper way to monitor the safety and operation of nuclear plants, a university spokeswoman reported.

"The group has found that using the new monitoring system it has developed, using certain chemical components, it is possible to save millions of dollars even with today's nuclear power plants," the spokeswoman said.

Meanwhile, The Jerusalem Post has learned that nuclear research at B-GU had been curtailed for some time because the university had had no funds for disposing of nuclear wastes from its laboratories. The university's rector said yesterday, however, that funds for the purpose have been found and nuclear research has been resumed.

OIL BILL — South Korea's crude oil imports bill in 1984 totalled \$5.8 billion for 199.6 million barrels, the ministry of energy and resources reported last week.

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TEL AVIV STOCK MARKET REVIEW Week of hope and bounce

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — Negotiations leading to the second package deal created a buoyant feeling on the stock market, especially among the "free" shares.

At the end of the week there were signs that these same negotiations were also having a beneficial effect on the "arrangement" shares and index-linked bonds, which began to rise on the last day of trading. There was also a feeling that both these "arrangement" shares and index-linked had fallen so much, that they were now attractive buys.

Although the stock exchange does not print a weekly index for bonds, it does for the "arrangement" shares. Despite their rises on Thursday, they finished the week 1.13 per cent lower, and of course this drop is in nominal figures, and the devaluation of the shekel, slight as it was last week, must also be taken into consideration, as it should be for all rises and falls.

But the "free" shares stole the show last week. Anyone who went into the market only one week ago — last week had only four days trading due to the one-day strike of three banking networks — made more in a whole year by holding "arrangement" shares — although the latter are said to be much more solid.

At any rate, the index for textiles and clothing rose by 23 per cent last week; for oil exploration by 20.83 per cent; for commercial banks not

in the "arrangement" by 22.35 per cent. Many other categories went up in the 10-20 per cent bracket. One category which did not do well was financing institutions, which fell by 1.53 per cent.

And if a little fortune was to be made last week, since the beginning of the year a large one could have been made. Many categories went up by 29 to 55 per cent, with the leader being chemicals, plastics and rubber, which gained 57.97 per cent since January 1. Other high-risers were industrial investment companies and general investment companies, up by 54 per cent since the beginning of the year.

What caused all these rises which preceded by weeks the opening of negotiations on the second package deal?

One explanation is the success of the first package deal. True, it failed to live up to expectations — the government never carried out its promise to cut \$1 billion to \$1.5b. from its budget. But the first package deal, as well as the knowledge that another one was in the offing, created the feeling that the "situation was under control."

For the first time in many long years the three economic factors in the country were cooperating with each other, despite their squabbles, and jockeying for position. This cooperation was a most heartening sign that the country was making its first steps on the road to recovery.

WALL STREET WEEK Relaxed federal credit policy pleases market investors

NEW YORK (AP). — Investors on Wall Street have made it plain that they are pleased with the U.S. Federal Reserve's relaxation of its credit policy over the past few months.

Bond prices have been rallying since last summer as interest rates have come down.

And this month, the stock market has joined in the celebration, staging a prolonged advance that has carried some indexes to record highs.

Analysts say the moves by the U.S. central bank, including two cuts in its discount rate last year, have gone a long way toward dispelling the recession fears that were so widespread in the financial world last summer and fall.

But they also added to a few questions and misgivings about what the Federal Reserve is up to.

Paul Volcker, the chairman, caused a considerable stir a couple of weeks ago when he said in a speech that the U.S. economy appeared to be moving toward "more stability of prices."

The remarks were noteworthy not only because they were optimistic, but also because they seemed almost out of character for Volcker, who has taken a hard-line stand against inflation since he was appointed to his job more than five years ago.

Most people have presumed that the primary purpose of the Federal Reserve in relaxing its grip on the money supply has been to keep business activity from slipping into a recession.

But, as many analysts note, it has also sought to dampen the extraordinary strength of the dollar in foreign exchange by lowering U.S. interest rates. Along with its beneficial effects, the persistent high value of the dollar has depressed overseas demand for American-made goods.

Last week the Dow Jones average of 30 industrials climbed 48.70 to 1,276.06, coming within hailing distance of its record closing high of 1,287.20 reached in November 1983.

The New York Stock Exchange composite index broke 100 for the first time, rising 3.38 to 102.42. At the American Stock Exchange, the market value index was up 9.43 at 220.52.

Soviet economic data revised downward

MOSCOW (Reuters). — Figures for the Soviet Union's economic performance in 1984 have been revised downwards to show significantly slower growth than anticipated, primarily as a result of poor performance in agriculture.

Western diplomats said on Friday they were surprised by the downward revision of provisional results, as the usual practice was to confirm them or to show that final statistics were even better than anticipated.

National income, the closest Soviet equivalent to the West's Gross National Product, grew 2.6 per cent in 1984, equaling the 1982 growth rate, the lowest since World War II.

State Planning Chief Nikolai Baibakov told the National Parliament last November that provisional indications showed that the planned target rate of 3.1 per cent had been met.

Industrial production last year grew by 4.2 per cent, well above the official target of 3.4 per cent, but down from the 4.4 per cent figure announced by Baibakov in November.

The diplomats pointed out that the increase in worker productivity was also not as high as the November forecast and, although above the official plan, was not as high as workers had been urged by party leaders to aim for.

Bank of Israel exchange rates

January 25, 1985	IS		IS
U.S. dollar	674.06	Australian dollar	552.06
British sterling	750.70	South African rand	295.47
German mark	213.58	Belgian franc (10)	106.74
French franc	69.81	Austrian schilling (10)	304.11
Dutch guilder	188.89	Italian lire (1000)	346.29
Swiss franc	254.17	Japanese yen (100)	265.69
Swedish krona	74.676	Irish pound	664.12
Norwegian krona	73.704	Spanish peseta (100)	386.00
Danish krona	59.823	Jordanian dinar	1638.0
Finnish mark	101.74	Lebanese lira	62.330
Canadian dollar	509.13	Egyptian pound	510.60

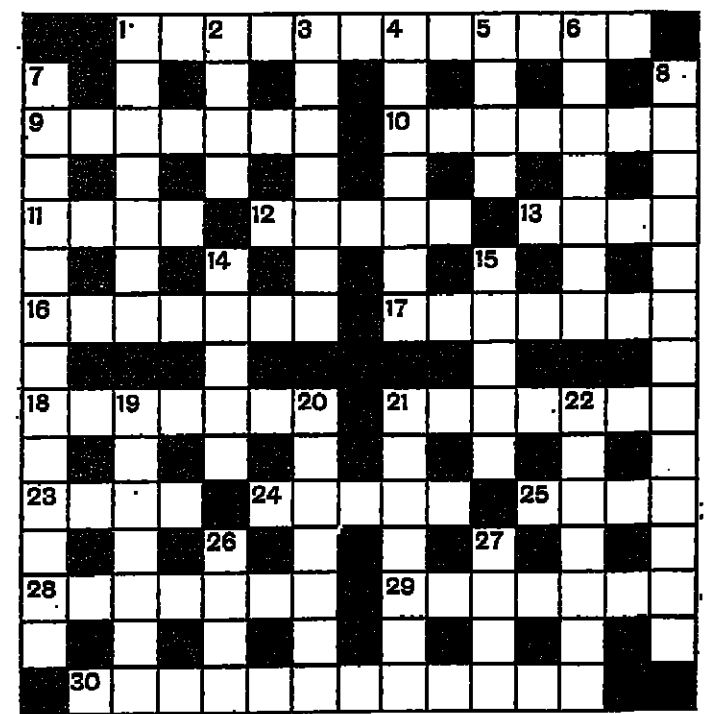
DOLLAR PAZ AND EURO PAZ PRICES FOR 25.1.85		
CURRENCY BASKET	PURCHASE	SALE
"DOLLAR PAZ", 1 UNIT	1976.7944	2001.4596
"EURO PAZ", 1 UNIT	2897.7251	2123.8993
S.D.R.	663.7885	661.9460

COUNTRY	CURRENCY	CHEQUES AND TRANSACTIONS	BANKNOTES
		PURCHASE, SALE	PURCHASE, SALE
U.S.A.	DOLLAR	699.703 678.3297	664.0400 687.6300
GREAT BRITAIN	STERLING	750.3667 759.7293	743.7200 770.1500
GERMANY	MARK	212.2846 214.9334	210.4000 217.8800
FRANCE	FRANC	69.4557 70.3224	66.4300 71.2900
HOLLAND	GILDEN	187.9563 190.3015	186.2900 192.9100
SWITZERLAND	FRANC	252.8189 255.9735	250.5800 259.4800
SWEDEN	KRONA	74.2061 75.1320	72.9900 76.1600
NORWAY	KRONA	73.2408 74.1547	71.6400 75.1700
DENMARK	KRONA	59.4630 60.2050	58.1700 61.0300
FINLAND	MARK	101.2192 102.4822	99.0100 103.8900
CANADA	DOLLAR	506.4023 512.7209	497.9000 519.7300
AUSTRALIA	DOLLAR	547.9687 554.8039	523.5600 567.4700
SOUTH AFRICA	RAND	294.3849 298.0581	248.0100 314.8300
BEIGIUM	FRANC	106.1423 107.4667	— —
AUSTRIA	SCHILLING 10	302.7430 306.5204	300.0600 310.7200
ITALY	LIRE 1000	344.4577 348.7556	326.0400 353.5400
JAPAN	YEN 1000	263.7678 267.0589	261.4300 270.7200

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ONE-AND-ONE CROSSWORD

- ACROSS**
- Like the alliance consenting to ouija? (8-6)
 - Redgrave in the lead overseas (7)
 - West End site of spring carnival? (7)
 - Buck up or bring up (4)
 - This fish stank (5)
 - Mineral found in hospital cupboards (4)
 - Permitted everybody with ring to get married (7)
 - Stone tablet provides an Egyptian quays, we hear (7)
 - Possibly the near eastern capital (7)
 - Wager about chance of getting meat (7)
 - Pleasant resort (4)
 - Oliver's tobacco? (5)
 - Short drive—second to flag (4)
 - Pasta as angel-surprise (7)
 - Insect going round tree can be taken as food (7)
 - Opposing factions under oath? (5, 7)
- DOWN**
- Pigeon enthusiast on train (7)
 - Laos revolution, moreover (4)
 - Medical orderly bagged (7)
 - He takes chances as a leisurely walker at Gateshead (7)
 - Salary increase, we hear, produces beams (4)
 - Unyielding first man with a New Testament following (7)
 - How Tennyson's brook went in strange, lively dance (13)
 - Perhaps a sport certain to be put off (13)
 - Care needed after start of Sandown—it is the turf (5)
 - In the east Iraqi troops are on the move (5)
 - Was upset after kick on shin—I cut up rough! (7)
 - Arrived at last at an insignificant place (7)
 - Bar fuse being blown, it can be conducted away (3-4)
 - Common nappers are nearly always cured (7)
 - Borodin's prince—soldier turning yellow (4)
 - Flightless bird yet seen on the wing at Twickenham (4)



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03-381111 (20 lines)

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- ACROSS**
- Theatrical poster
 - Enclosed areas near 11 Quality that raises buildings
 - Spanish cavalier
 - Nimble
 - Large living bird
 - Milk-food
 - Surviving trace
 - King Arthur's legendary site
 - Think
 - Momentary look
 - Sober, sedate
 - Long tales
 - Make fast a ship
- DOWN**
- Agreements
 - Province of Canada
 - Arrow
 - Sideways drift of boat
 - Steep rugged rocks
 - Longest living bird
 - Legend
 - Venetian boatman
 - Tree with oily fruit
 - Daring

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E I A A A A A
I A A A A A A
I A A A A A A
R G V A O G R D
E E I D I T C H A L
S P R I N G S E T W I N E
O G U D
U P S E T R A G E S
S O R H
P I C K S R P R A Y E R S
I O T O R S O N L K
E R R E T O T A
G O N C E R N E L E M E N T
E E E T N U R E
S P R A T S A T I R I S E S

Quick Solution
Across: 1, Suppliers; 6, Panes; 9, Barnyard; 10, Reservoir; 11, Noise; 12, Ducking; 13, Decide; 14, Sings; 15, Demon; 16, Torch; 20, Regards; 22, Obese; 23, Pageant; 24, Emirate; 25, Dirge; 26, Descended.
Down: 1, Sobbed; 2, Perfect stranger; 3, Learning; 4, Enigma; 5, Sprinkled; 6, Assaged; 7, North-east; 8, England; 9, Sweeper; 15, Repeated; 17, Magazine; 18, Tapped; 19, Homage; 20, Reveal; 21, Spread.

Ari Rath
Editor and
Managing Director

THE JERUSALEM
POST

Erwin Frenkel
Editor

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Setting the record straight

TO JUDGE by the reaction of the Herut leadership chorus to the New York court's verdict in the Ariel Sharon vs. *Time* libel case, one might really think that the former defence minister and chief architect of the ill-advised Lebanon escapade has been fully vindicated by a court case which he actually lost.

It would be nothing less than preposterous to apply the term moral victory to a man like Sharon, who continues to bear heavy moral responsibility for Israel's most senseless war, as well as for the events surrounding the massacres at the Palestinian camps in Beirut, even had he won his libel suit against *Time*. To set the record straight one merely has to look up the relevant passage in the published Kahan Commission report which states clearly that Mr. Sharon, together with former chief of general staff Rafael Eitan and two other senior army officers bore individual responsibility for failing to prevent or to stop the massacres at Sabra and Shatilla.

The most spurious comments, supporting Sharon's own claim of a moral victory, are those of the two former Likud prime ministers Menachem Begin and Yitzhak Shamir — neither of whom come out exactly with flying colours from the Kahan Commission inquiry. Then prime minister Begin was found responsible for displaying indifference to the reports that the Phalange had entered the Palestinian refugee camps and Foreign Minister Yitzhak Shamir was severely criticized for not verifying reports he had received of killings in the camps.

Another particularly disturbing comment came from Likud-Liberal Minister of Justice Moshe Nissim, who stated nothing less than that Sharon had "won the trial." Perhaps Mr. Nissim is not sufficiently familiar with American legal procedure, but he certainly should have known that the final ruling of the jury that Sharon had failed to prove that *Time* had acted out of malice meant that he had lost his bid to prove that the magazine had libelled him, and therefore lost his case.

To pick on the jury's earlier rulings that *Time* had defamed Sharon and had printed a false report, and to depict these as a victory for the former defence minister in the trial and therefore an "important result for the State of Israel," amounts to a gross distortion of the facts. Even if there were overriding political motives for Mr. Nissim's inexplicable statement, as minister of justice he should have known better and have refrained from all comment.

It appears that Sharon's threatening shadow looms high over the Likud leadership, even from the other side of the Atlantic ocean. If Mr. Shamir thought that by greeting the outcome of the trial as a moral victory for Sharon he would also vindicate himself, he should have known that in fact, he has helped enhance Sharon's increasing popularity and prestige among the Herut rank and file to his own detriment.

As for *Time* magazine's share in the whole affair, the New York jury's finding that "certain employees, and particularly correspondent David Halevy, acted negligently and carelessly in reporting and verifying the information" has proved that *Time* performed a disservice to the journalistic community. In doing so, the news magazine committed a serious error to which journalists are often prone. Wanting to go one better than the available hard facts, it went one step further into a grey, not provable area. For there was sufficient material in the published record of the Kahan Commission report on Sharon to make him appear guilty, without having to resort to a secret appendix.

The best proof that Sharon himself regards the Kahan Commission verdict as a mark of Cain on him is his repeatedly stated determination to find a way of securing an annulment of the commission's findings. As his first step towards this goal, he launched his libel suit against *Time* in an American court — and failed. He is now on record that he will pursue another libel suit against *Time* before an Israeli court.

But politics and life are not like arithmetic and two wrongs do not make one right. The New York court's verdict must be seen for what it is: Sharon lost his case, although *Time* was rebuked. As far as Israel is concerned, in the eyes of every level-headed person Sharon remains as guilty of plunging this country into the terrible Lebanese adventure as he was before the trial. And this is what counts.

U.S. REACTION

(Continued from Page One)

Israel emergency request.

At the same time, the administration is expected to increase the military aid level for Israel in the next budget from \$1.4b. to \$1.8b. or perhaps even \$1.9b. — all in grants. Israel has requested \$2.2b.

U.S. aid to Israel is expected to be high on the agenda during Defence Minister Yitzhak Rabin's scheduled talks in Washington beginning tomorrow. He is to see Defence Secretary Caspar Weinberger, Secretary of State Shultz, National Security Adviser Robert McFarlane and probably President Reagan.

The Washington Post said Shultz has offered to make a three year commitment on U.S. military aid if Israel specifies what weapons it wants to acquire from the U.S. during this period. "So far, however, the Israelis have not agreed because they want a U.S. commitment that their requests can be renegotiated if Saudi Arabia or other Arab states obtain sophisticated new arms that Israel fears could shift the Mideast military balance in the Arabs' favour," the newspaper added.

The matter of U.S. arms sales to Saudi Arabia and other "moderate" Arab states is also expected to be discussed at length during the Rabin visit this week. The administration is moving ahead with plans to sell Saudi Arabia another 40 F-15 fighters.

Before leaving Washington Wednesday night for New York and more meetings with Jewish leaders and others, Rabin is also due to meet with numerous senators and representatives.

Shultz and his closest associates have not hidden their general displeasure with the Israeli government's continued refusal to enact more massive budget cuts and economic reforms. Their fundamental economic orientation was clearly reflected in a lengthy article by economist Irving Kristol on the editorial page of Friday's *Wall Street Journal*.

Kristol, who is very close to senior Reagan administration policymakers and has just returned from a visit to Israel, predicted that Israel will eventually be left with no alternative but to accept a "dollarization" of its currency. He described it as "inevitable."

Kristol, a well-known neo-conservative, strongly rejected the national unity government's entire approach to resolving the economic crisis. He called its policies "economic nonsense."

He also called for greater cuts in governmental spending and subsidies as well as in tax rates — in order to stimulate the economy and productivity. "Unfortunately," he wrote, "the current coalition government will work hard to see that it all happens too slowly, too grudgingly, too ineffectively."

ALL THOSE interested in Israel or involved with it in any way are aware that the nation is entering a most difficult stage in its history. After more than a generation in which the most acute problems were believed to be those connected with security and threats from across the border and the thrust was to deal with these, the primary and immediate task for 1983 and possibly for the coming years will be to resolve the economic crisis.

As the Israeli leadership gains fuller comprehension of the economic morass, it faces difficult days. The new policies it must forge will have to be drastic but simple enough for the public at large to understand and accept. Only when the population is willing to comply with a programme of austerity and to co-operate in carrying it through will the economy have a chance of becoming healthy and viable once again. The road might prove agonizing, but something will have to be done.

The problem is not solely a question of runaway three-digit inflation, and it is not related only to the horrendously adverse balance of trade. Both indicators are the result of a more basic cause. They are the outcome of the socio-economic and political priorities Israel had been confronted with and then chose, in its first 36 years of existence.

The history of Israel may be divided into two main periods, both of which have already come to a close. Now, with the need to resolve the economic plight and become solvent again, the third is commencing.

The first phase began with the establishment of the State and lasted to the Six Day War. It was an era that began soon after the Holocaust, with the traumatic, bloody victory of the War of Independence. It continued with huge immigration, more than trebling the Jewish population within a period of 15 years. No one, least

of all David Ben-Gurion, had time to think of peace, open borders or co-existence with the Arab countries. Under his guidance, the State of Israel, walled in by apparently hostile neighbours, turned inward, with large numbers of newcomers being thrown into the melting pot or, indeed, the pressure cooker, from which a new Israeli people emerged. With minimal financing or other help, a new people and state were taking shape. One of the characteristics of this period was a very ambitious, possibly over-extended social welfare programme. Israelis were all fully, creatively occupied in trying to build a nation. And almost to the man, they rose to the challenge.

THE SECOND era began in the euphoria that followed the Six Day War and continued until the ramifications of the war in Lebanon were generally appreciated. During that phase, Israel discovered that it had far more power than it could have dreamed of. It now saw itself as a force to be reckoned with, even feared, and found that it could get virtually all the financing it could wish for to strengthen its military forces. If, in the earlier period, the emphasis in the Israeli Defence Forces had been on developing an imaginative, innovative, flexible, light-footed army, capable of fighting day or night, exploiting surprise to the full, the far heavier, cumbersome yet modern army of the past decade has concentrated on armour, artillery and other forms of massive power.

Israel's foreign policy did not change materially during its 36 years of existence. Rather than exploit the

"We are still faced with the task of training our youth to rebel against 'servility within the revolution' in all its forms — beginning with those Jews who were so much the slaves of the Russian Revolution that they even distributed proclamations calling for pogroms in the name of the revolution, and including the Palestine Communist Party (Jews) of our day, which is acting in alliance with the pogromists (Arabs) of Hebron and Safad."

Berl Katzenelson; *Revolution and Tradition*, 1934

BERL KATZENELSON was one of the central figures of Socialist Zionism of the group that spawned the likes of David Ben-Gurion and Itzhak Ben-Zvi. One wonders how he would react were he alive today — in light of his above-stated views — to Peace Now demonstrators in the centre of Hebron demonstrating against the Jews there and for today's pogromists? How would he react to hearing major leaders of his own Labour Party declare that the fault of a Jew brutally murdered in Hebron lies, not with the Arab pogromists, but with the Jewish victim

READERS LETTERS

EGYPT, ISRAEL AND THE PEACE

To the Editor of *The Jerusalem Post* Sir, — Professor Shimon Shamir comforts himself in his letter of January 8 that "it is perhaps not a great disgrace to be given a small niche in Mr. Katz's pantheon of demons." It is — if I may borrow from Shalom Aleichem — also no great honour.

It is no great virtue for a scholar to make highly questionable statements in an interview and then, when challenged, to take refuge in abuse of his critic. In my article I dealt with Mr. Shamir's report; and I and all your readers are entitled to hold Mr. Shamir accountable for his statements. If he wants to have a discussion on my version of Egypt's behaviour and my views on the Peace Treaty (and on Israel's behaviour), I am prepared to debate with him on any forum in the country under parliamentary rules.

Professor Shamir retained Egyptian charges against Israel as justifying Egypt's non-fulfilment and indeed violation of the Peace Treaty and I pointed out that the

VOA TRANSMITTER WELCOME

To the Editor of *The Jerusalem Post* Sir, — In his article of January 2, "Speaking for ourselves," Professor Shlomo Avineri is really speaking only for himself.

I believe that most Israelis would not mind if a Voice of America transmitter were installed in Israel. I think that quite a few of them would even be happy. We in Israel are ready to give a helping hand to our true friend and ally, the United States. Just as we welcome their ships in Haifa port, so we should welcome their transmitter.

Moreover, we should support any measure which helps to spread the truth about the Soviet Union, which has time and again attacked the Jewish religion, the Jewish people and Israel for no reason at all.

CHAIM ORIEL
Jerusalem.

sequence of events demonstrated *ab initio* that those charges are false. To this understanding, the calendar not being susceptible to change, he has no reply.

He does not like the charge that he is whitewashing the Egyptians. Maybe he has a better term, for example, for his benevolent description of the unrelenting vicious campaign of Egyptian propaganda against Israel ever since the Peace Treaty. He called it "the vocabulary of conflict." Or the stunning revelation that average Egyptians had told him that "the Egyptian Jew has left an extremely positive impression on his Moslem neighbours." Having had the shocking implications of this statement pointed out to him, he does not even have the decency to apologise for gratefully swallowing, and then disseminating, this mockery of the once flourishing Jewish community of Egypt, persecuted, robbed and driven out in our own time, between 1948 and 1967.

SHMUEL KATZ
Tel Aviv.

RUBBISH DUMP

To the Editor of *The Jerusalem Post* Sir, — I have just returned from a visit to Israel. The last time I was there was 10 years ago. I noticed many changes in that time, especially in Jerusalem.

One change made me sad: the litter and dirt I saw almost everywhere. People must have lost a feeling of respect and pride for their country if they can treat it as a rubbish bin. Even my children were shocked to see people discarding wrappers, cigarettes and drink tins on the street. Moreover, all the public toilets we entered were in a deplorable state.

I realized you have a lot to contend with, but it is a pity to treat your streets and countryside like a rubbish dump.

TAMAR ALTMAN
Oxford, England.

Entering a new era

By DAN BAVLY

success of the 1967 victory, Moshe Dayan, then minister of defence, set the tone by saying that he was waiting for "the telephone call from King Hussein" asking for peace talks. Building policy on the deterrent effect of power and readiness to use it if need be, at no time did any Israeli government seriously discuss initiating moves that would lead to negotiating peace with Jordan or Syria.

In a way, the state assumed an imperial posture and at times attempted to use this power to lay down the law; for a while, it became the policeman of the Middle East. Aluf (res.) Ariel Sharon, later the minister of defence responsible for the invasion into Lebanon, has been quoted as having said that Israel's army was the fourth most powerful in the world. It was an army that now produces its own tanks and some of its own fighter aircraft and still hopes to be even more self-sufficient in the future. During this era, not fully comprehending the need for restraint, Israel pushed ahead in all directions, both with military expenditure and with overly-progressive social welfare schemes.

It was a period during which Israel received huge outside financing. In the 11 years following the Yom Kippur War, the U.S. provided Israel with aid amounting to more than \$25 billion, increasing the total debt of the country to over \$30 billion in 1984, compared with \$2 billion at the end of the first era, in 1967. In recent years, it became obvious to many that, while such largesse continued, Israel's economy was rapidly losing

focus. Following the elections this past summer, a new national coalition government came into being, committed to bringing the economy back to health.

For most of its history, the Israeli government has had the support of the great majority of the public. The first serious break in the national consensus came after the army reached Beirut, in the summer of 1982. Learning to live together again and to survive in a tolerant climate, where the expectations of the public from its government are more modest will, in itself, introduce an element of public well-being.

IF, as now seems inevitable, Israel's economy is to move into lower gear, probably the most important step will be to realize that it must substantially reduce public spending, both on defence and social benefits. Such cuts would mean that in the second half of the 1980s the defence procurement programme might well have to be reduced to half of what it was in the first five years of the decade. Such radical cuts could lead to shelving the Lavi fighter plane programme or possibly turning it into an American-Israeli co-production, by mounting the sophisticated equipment developed in Israel onto the body of a suitable American plane. But radically cutting the budget will mean not only cancelling programmes in part or in full. It will inevitably also bring about the formulation of alternative political, social and economic policies.

It is probably too early to start thinking about an arms ban or an

arms limitation agreement in the Middle East. In the coming years, the Arabs, whose armoury has already increased greatly, can well be expected to continue in their purchase of lethal weaponry, and the Israel Defence Forces will still be responsible for defending this country. The IDF will have to work out how to do so, not only by the use of overwhelming force, but also by updating its ingenuity to modern-day requirements. Israel's defence leaders might discover that this will involve weighing up the advantages of peace against the cost of the inevitable compromises it would entail and advising the government of the day accordingly.

Social expenditure will have to be and can be more frugal, with the poor and the aged still being fairly looked after. And, if Israel is to maintain its important heritage and move forward, the quality of the education of the young must still be the best possible. Last, but not least, Israel must remember that, while it must balance its requirements with its possibilities if it is to qualify as a modern, equitable, industrial state, it will have to produce and export more. Israel's economic growth will have to resume, as soon as possible. New markets abroad will have to be developed, and existing ones enlarged, as the economy enters its remedial stage.

In its second period of growth, Israel made the mistake of not realizing the extent of its growing indebtedness. Seemingly greedy, certainly careless, it did not satisfactorily exploit the era of apparent affluence. In earlier periods of stress, in the decade after World War II, when the challenges were the stark ones of survival or else, Israel and its people rose to the need. There is every reason to believe that, as it enters the third difficult era of its modern history, Israel can and will do so again.

The writer, a certified public accountant and economist, is the author of *The Subterranean Economy and other books*.

It is probably too early to start thinking about an arms ban or an

'Slaves of the revolution'

By YEDIDYA ATLAS

for having the *hizpa* to "provoke" the descendants of the Arab pogromists of 1929 by being in Hebron in the first place?

One wonders how he would perceive the actions of a Jewish defence minister who orders Jewish soldiers to prevent, physically if necessary, the public lighting of a Hanukkah menorah on the site of ancient Jewish Shechem in order to avoid the possibility of Arab sensibilities being disturbed — Jewish sensibilities being damned? And what would Berl Katzenelson do today were he to see and hear members of his own Labour Party denounce a lone Jew for maintaining a vigil against the idea of Jews being summarily stoned on the roadways of Eretz Yisrael becoming an acceptable concept?

Were Katzenelson alive today, he would, at the very least, write an editorial different from what one

finds today in the newspaper he founded, *Davar*. He would no doubt write, "Whither Hast Thou Gone, O Labour Party of My Youth?" and end with a plea for a return of Jewish priorities in the Land of Israel. Certainly he would bristle at the idea that settlement has become a dirty word.

He would question the statement that Jewish settlement should be restricted solely to those areas that have no large Arab population, asking, "what about when we established the tiny Jewish settlement of Tel Aviv alongside the huge Arab town of Jaffa?" He would rail against the blatant materialism of the Histadrut, the trade union he worked so hard for all his life. He would wonder, perhaps, why if the labour federation owns half of the country's industries, a bit of the equity cannot be shared with the

poor members who are being forced out of work by economic circumstances — and the biggest of the "cruel bosses" is none other than the Histadrut itself.

TODAY, the inheritors call Katzenelson's beloved Eretz Yisrael "occupied territories," as if they were strange regions with no connection to the Jewish people. Today, the major concern of the inheritors of Socialist-Zionism is whether the Israeli Wasp (white Ashkenazi Sabra with protekzia) will "lose" the country to the "Sephardim" — as if they were a different Jewish People, unconnected to the children and grandchildren of the Second Aliya.

Today, loving one's country is considered old-fashioned; love of one's nation, the Jewish people, as a first priority, to be immoral. An entire generation of Israeli youth has

been educated in an apparent vacuum devoid of traditional Zionist values. The inheritors established a social-political class structure that has succeeded in alienating countless potential olim and caused serious divisions among the Jews in the land. The inheritors have built their own Galut (exile), complete with a Gahimality — only here they are the *goyim*.

Those Jews who persist in believing in Jewish priorities, in Jewish values, settlement, the dignity of Jewish labour, sacrifice for one's nation and land, patriotism and tradition, are scoffed at, looked upon with derision. Relics of bygone times. But it is in fact these new-born relics that yet wave the banner of Berl Katzenelson's Jewish revolution in the Land of Israel. Perhaps not the socialist aspect, but certainly the Zionist one. For today, Berl Katzenelson would not recognize his own inheritors; because they have become the "slaves of the revolution."

The writer is a free-lance journalist and a spokesman for the settlement movement.

GUESTS OF THE UNIVERSITY

being invited because he was critical of Israel. Professor Willis was a gracious and grateful guest. He satisfied the terms of his visit most admirably, and we learned much as a result of his lecture and seminar series. He did not assault us with criticisms of Israel; and we did not confront him with our opinions on the subject.

Professor Willis made himself available to the local press. In addition to speaking with journalists individually, he met with the editorial staff of *The Jerusalem Post*. This was the appropriate forum in which to confront Professor Willis with his past criticism of Israel. Mr. Segal, the journalist, had every right, perhaps every responsibility, to explore Professor Willis's statements in the American press. Indeed, this is clearly the press's function. It is not

the university's, certainly not in the context of the dialogue on America in which Professor Willis had been invited to participate.

Did Mr. Segal take advantage of the possibilities afforded by Professor Willis's visit? The public, we think, would be far more interested in a vigorous and journalistically responsible analysis of Professor Willis's views by an Israeli journalist than in a few snide comments about whether the academic community was aware of those views and about whether it ought to have invited him here in the first place.

EMILY BUDICK,
ARYEH GOREN,
Department of American Studies,
The Hebrew University
Jerusalem.

TORA TODAY

Sir, — I enjoy very much reading the interpretations of Rabbi Pinchas Peil of the weekly portion of the Tora that is published in *The Jerusalem Post*.

I am the head of a very small congregation without an official rabbi. These weekly Tora interpretations are used by us whenever we can have them. We like their style. They always have a philosophical message to us. Unfortunately the books available to us here are directed toward the orthodox point of view, cut and dry without any philosophical practical meanings to them.

LEON SUSSA, M.D.
North Miami Beach, Fla.

PENFRIENDS

JAMES M. HENDERSON (32), of 53 Joss Street, Invergordon, Scotland, U.K., would like to correspond with young Israeli women. STALE ILAND (24), of Markveien 4300 Sandnes, Norway, would like to have Israeli penfriends. He is interested in culture, religion sports and politics.

NORMAN ASHER
Chicago.

THE FUTURE OF INVESTMENTS

To the Editor of *The Jerusalem Post* Sir, — Pinhas Landau is to be commended for his series of in-depth articles on the state of the banks in Israel. It is to be questioned, however, whether his story entitled "The next crash" (January 4) renders a service.

To the contrary, he contributes to the likelihood of a national collapse by stimulating the psychological reaction of the masses. He informs his readers, almost as a matter of certainty, that all their savings and investments in Patam accounts, government bonds, savings schemes and provident funds are worthless and will shortly be wiped out.

Now that he has done his bit to hasten the panic, perhaps he can inform his readers what he, the omniscient financial counsellor, does with his own savings to protect them from the collapse he so blithely foresees?

CARL ALPERT
Haifa.



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